

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

CASE NO.

v.

JUDGE

FORECLOSURE SOLUTIONS, LLC,
an Ohio limited liability company, and

TIMOTHY A. BUCKLEY,
individually and as a principal of the
company,

Defendants.

**PLAINTIFF’S COMPLAINT FOR INJUNCTIVE
AND OTHER EQUITABLE RELIEF**

Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), for its complaint alleges:

1. The Commission brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to secure preliminary and permanent injunctive relief, rescission of contracts, restitution, disgorgement, and other equitable relief for Defendants’

deceptive acts or practices in connection with the selling of mortgage foreclosure rescue services in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

3. Venue in the United States District Court for the Northern District of Ohio is proper under 28 U.S.C. §§ 1391(b) and (c), and 15 U.S.C. § 53(b).

THE PARTIES

4. Plaintiff, Federal Trade Commission, is an independent agency of the United States Government created by the FTC Act, 15 U.S.C. §§ 41-58 (as amended). The Commission enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The Commission may initiate, through its own attorneys, federal district court proceedings to enjoin violations of the FTC Act and to secure such additional equitable relief, including rescission of contracts, restitution, and the disgorgement of ill-gotten gains caused by Defendants' law violations, as may be appropriate in each case. 15 U.S.C. § 53(b).

5. Defendant, Foreclosure Solutions, LLC, is an Ohio limited liability company located at 10945 Reed Harmon Highway, #108, Cincinnati, Ohio, 45242. Foreclosure Solutions transacts or has transacted business under the names Foreclosure Solutions and Foreclosure Help One, and calls its service "Program 10." Foreclosure Solutions transacts or has transacted business in the Northern District of Ohio.

6. Defendant, Timothy A. Buckley ("Buckley"), is an owner and an officer, member, manager, or representative of Defendant Foreclosure Solutions. Individually, or in concert with others, he directs, controls, formulates, or participates in the acts and practices set forth herein.

Directly or through Foreclosure Solutions, Buckley transacts or has transacted business in the Northern District of Ohio.

COMMERCE

7. The acts and practices of Defendants, as alleged in this Complaint, are in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS ACTIVITIES

8. Since at least 2003, Defendants have conducted a scheme to sell purported mortgage foreclosure rescue services to consumers in the United States.

9. Defendants advertise, market, and promote their mortgage foreclosure rescue services primarily through direct mail solicitations to consumers whose names appear in court records as defendants in foreclosure actions. Defendants send these consumers cleverly designed mailers which grab consumers’ attention with warnings that consumers could lose their homes in as little as ten days. Defendants promise that they can stop foreclosure proceedings. The following claims are illustrative of the claims made by Defendants in their promotional literature:

DO YOU WANT TO SAVE YOUR HOME?

You are quickly running out of time. In approximately 10 days the foreclosure suit that has been filed against you by **US Bank, Case # _____** will progress to the next step and you will be on your way to having your home sold at sheriff sale in the lobby of the _____ County Courthouse. The new owner will have you evicted!

I am sure you know that **US Bank** does not care about what happens to you! All they care about is getting back the home in which you live. If they cared, why would they be suing you?

That is exactly why you should pick up the telephone right now and call us at 1-866-583-3030 to set up an appointment. We will explain how we are able to stop your foreclosure before it’s too late. We will then work this out with **US Bank** if you want to save your home or we will simply get the extra time you may need to try and sell your home if that’s your intention.

Don't just sit back and do nothing. Act now while there is still time!
We only have a few days to answer the complaint for you. We will stop
the torment and anguish that you are going through.

Exhibit A, attached to this Complaint.

Another mailer sent to consumers states:

WE ARE ABLE TO STOP YOUR FORECLOSURE PROCEEDINGS,
by dealing directly with Countrywide, the Obligation Holder!

Program 10 can help you if you want to keep your home *without filing
Bankruptcy or ReFinancing*. Program 10 works directly with you and
Countrywide to reinstate your loan.

Program 10 makes it possible for you to:

1. **STOP THE FORECLOSURE.**
2. Get Legal Representation to handle all the court documents and appearances.
3. **OBTAIN A WORKOUT PLAN with Countrywide.**
4. **KEEP YOUR HOME or GET ADDITIONAL TIME TO SELL.**
5. Meet with a trained consultant in your home to answer all questions.
6. Work together with an assigned Personal Case Manager to satisfy all the concerns with ***Countrywide***.
7. Make the resolution process "***HASSLE FREE***" for you.

Call today for a **FREE** phone consultation and get all your questions answered. Your attorney only has a few days to answer the complaint for you. That is exactly why you should pick up the telephone right now and call **Program 10 at 1-866-583-3030** to **SET UP AN APPOINTMENT TODAY!** We can answer all of your questions, without obligation!

Exhibit B, attached to this Complaint.

Yet another of Defendants' solicitations claims a 93% SUCCESS RATE and brazenly states:

YOU HAVE OPTIONS:

1. *CALL YOUR LENDER* and be prepared to offer them the majority of your arrearage to *POSSIBLY* keep your home.

- - OR -

2. Call ***PROGRAM 10*** and keep your home.

Exhibit C, attached to this Complaint.

10. Defendants' mailers consistently end with a toll-free number and the promise of **"GUARANTEED HELP."**

11. Defendants also advertise their services through Internet websites, including www.program10.com and www.foreclosuresolutionsusa.net. Defendants make similar claims on the websites as appear in their promotional literature.

12. When consumers call Defendants, Defendants and their representatives reiterate the claims in the promotional literature. Defendants describe themselves as an attorney-assisted program and promise to provide an attorney to protect the consumers' legal rights and handle all legal matters concerning their foreclosures. Defendants also promise to provide consumers with a case manager who will work with the consumers' lenders to get the loans reactivated and stop the foreclosure proceedings. Defendants assure consumers that they have helped thousands of others save their homes and promise to guarantee in writing that they will save each consumer's home.

13. Defendants set up an appointment with the consumer in the consumer's home to have the consumer sign papers "to get the process started" and collect the approximately \$1,200 up-front fee for Defendants' services. In some instances, consumers are permitted to pay about half the fee up-front and the balance within thirty days at an increased cost of \$50.

14. Defendants send a representative to the consumer's home to close the sale and collect the up-front fee. Defendants require that the consumer sign a "Work Agreement," or contract, for services. In the Work Agreement, Defendants make an attempt to disclaim their guarantee, stating that they will work faithfully, but do not guarantee the success of their efforts. This disclaimer appears on a document that is signed by the consumer in the presence of Defendants' representatives who promise to save the consumer's home. The Work Agreement is signed in conjunction with another document, entitled Money Back Guarantee, guaranteeing the consumer will be refunded, should Defendants' efforts fail, so long as the consumer follows Defendants' instructions to save money and avoid lender phone calls. Defendants also require that consumers sign a form Power of Attorney, authorizing Defendants to negotiate directly with the consumer's lender and to hire an attorney to represent the consumer in the foreclosure action.

15. Defendants instruct the consumer to open a savings account and deposit, every month until further notice from Defendants, the consumer's monthly mortgage payment plus an additional twenty-five to thirty-five percent. Defendants claim this money will be used to negotiate with the lender to reinstate the loan. Defendants also give the consumer the impression that negotiations will begin immediately, as the consumer is instructed to complete a Financial Form and a Hardship Letter and return them to Defendants as soon as possible, along with documents such as pay stubs, tax returns, and monthly bills.

16. After consumers have paid Defendants for their services, Defendants often do not answer or return consumers' telephone calls. In other instances, when consumers do reach Defendants' representatives, the Defendants' representatives tell the consumers that they are working on a solution, that Defendants need more information from the consumer (often information the consumer has already provided Defendants), or that no solution can be found.

17. Defendants hire attorneys to respond to the foreclosure Complaints filed against consumers. In many if not most instances, the attorneys hired by Defendants file the same “form” Answer containing blanket denials of liability and *pro forma* affirmative defenses. These Answers are usually filed without investigating consumers’ individual circumstances that might identify defenses or counterclaims unique to particular consumers.

18. In numerous instances, Defendants do not stop mortgage foreclosure or save consumers’ homes. Many consumers who have retained Defendants’ services ultimately lose their homes to foreclosure. Others avoid foreclosure only through their own efforts and not because of any service provided by Defendants. Consumers who stop their foreclosures through their own efforts sometimes learn that their lenders offer the same settlement terms regardless of whether the consumers negotiate on their own behalf or through Defendants; other consumers learn that their lenders will negotiate only with consumers and not with Defendants. In the end, many consumers who keep their homes are harmed by Defendants’ services because of delays in starting negotiations with their lenders and the additional late fees and litigation costs that accrue during those delays.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

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

20. False statements and misrepresentations or omissions of material facts constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT I

21. Defendants represent, expressly or by implication, that Defendants will stop foreclosure in all or virtually all instances.

22. In truth and in fact, Defendants do not stop foreclosure in all or virtually all instances.

23. Therefore, Defendants' representations as set forth in Paragraph 21 are false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

24. Consumers in multiple states have suffered and continue to suffer substantial monetary loss as a result of Defendants' violations of the FTC Act as set forth above. In addition, Defendants have been unjustly enriched as a result of their unlawful acts and practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

25. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of the FTC Act. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including, but not limited to, rescission of contracts, restitution, and the disgorgement of ill-gotten monies, to prevent and remedy injury caused by Defendants' law violations.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, Federal Trade Commission, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that this Court:

1. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including, but not limited to, a preliminary injunction including an order limiting Defendants' expenditures to those necessary in the normal course of business and normal household expenses;

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

3. Award such relief against Defendants as the Court finds necessary to redress injury to consumers resulting from 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

4. 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: April 28, 2008

Respectfully submitted,

WILLIAM BLUMENTHAL
General Counsel

/s/ Jonathan L. Kessler

JONATHAN L. KESSLER, Colorado Bar #015094

LARISSA L. BUNGO, Ohio Bar #0066148

Attorneys for Plaintiff

Federal Trade Commission

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Kessler (216) 263-3436 / jkessler@ftc.gov

Bungo (216) 263-3403 / lbungo@ftc.gov

Fax (216) 263-3426

Foreclosure Solutions

www.foreclosurehelp1.com

Corporate Office
10945 Reed Hartman Hwy. # 219
Cincinnati, OH 45242
Phone: 513-530-9930
Toll Free: 866-583-3030
Fax: 513-530-9998
www.foreclosurehelp1.com

DO YOU WANT TO SAVE YOUR HOME?

You are quickly running out of time. In approximately 10 days the foreclosure suit that has been filed against you by **US Bank**, Case # _____ will progress to the next step and you will be on the way to having your home sold at sheriff sale in the lobby of the _____ County Courthouse. The new owner will have you evicted!

I am sure you know that **US Bank** does not care about what happens to you! All they care about is getting back the home in which you live. If they cared, why would they be suing you?

That is exactly why you should pick up the telephone right now and call us at **1-866-583-3030** to set up an appointment. We will explain how we are able to stop your foreclosure before it's too late. We will then work this out with **US Bank** if you want to save your home or we will simply get the extra time you may need to try and sell your home if that's your intention.

Don't just sit back and do nothing. Act now while there is still time! We only have a few days to answer the complaint for you. We will stop the torment and anguish that you are going through.

Call us today at **1-866-583-3030** so that we can stop **US Bank** from taking your home and putting you on the street!

Sincerely,

Jenny Moore

GUARANTEED HELP
1-866-583-3030

EXHIBIT A

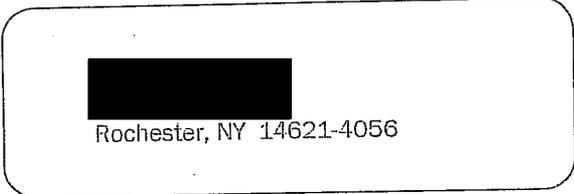
MARK
122

OFFICIAL NOTICE

10945 Reed Hartman Hwy, Ste 108
Cincinnati, OH 45242

FIRST CLASS MAIL
U.S. POSTAGE
PAID
CINCINNATI OH
PERMIT NO. 5351

**PROGRAM 10 WORKOUT
APPROVAL NOTICE**



EXP092507-0597

(YOU WILL NEED TO HAVE THIS NUMBER WHEN CALLING)

TIME IS LIMITED! Countrywide HAS FILED A FORECLOSURE SUIT!

Obligation Holder: Countrywide
(Note: Obligation Holder may not be the original holder or may be a trustee for your lender.)
Case File #: [REDACTED]
County Filed: Monroe File Date: 9/26/07 **SALE PENDING**
Name: [REDACTED]
Address: [REDACTED] Rochester, NY 14621-4056

You are receiving this "Program 10" Approval from Foreclosure Solutions due to your obligation to Countrywide. Please contact a Program 10 Associate today to help you reinstate your loan with Countrywide.

WE ARE ABLE TO STOP YOUR FORECLOSURE PROCEEDINGS,
by dealing directly with Countrywide, the Obligation Holder!

Program 10 can help you if you want to keep your home without filing Bankruptcy or ReFinancing. Program 10 works directly with you and Countrywide to reinstate your loan.

PROGRAM 10 makes it possible for you to:

1. **STOP THE FORECLOSURE**
2. Get Legal Representation to handle all the court documents and appearances.
3. **OBTAIN A WORKOUT PLAN with Countrywide.**
4. **KEEP YOUR HOME or GET ADDITIONAL TIME TO SELL.**
5. Meet with a trained consultant in your home to answer all questions.
6. Work together with an assigned Personal Case Manager to satisfy all the concerns with **Countrywide.**
7. Make the resolution process "**HASSLE FREE**" for you.

Call today for a FREE phone consultation and get all your questions answered. Your attorney only has a few days to answer the complaint for you. That is exactly why you should pick up the telephone right now and call Program 10 at 1-866-583-3030 to SET UP AN APPOINTMENT TODAY! We can answer all of your questions, without obligation!

When you call, we will explain how it is possible to STOP YOUR FORECLOSURE before it's too late. We will then work to get this resolved with Countrywide if you want to save your home, or you can simply use the extra time you get to sell your home. You have Options! Call today to get the information you need.

GUARANTEED HELP!

TOLL FREE at 1-866-583-3030

Contact Us: 8:00 am to 9:00 pm Monday through Friday, and 9:00 am to 2:00 pm Saturday
www.program10.com

EXHIBIT B

Obligation Holder:	Countrywide	(Note: Obligation Holder may not be the original holder.)	File Date: 9/26/07
Case File #:	[REDACTED]	County Filed: Monroe	**SALE PENDING**
Name:	[REDACTED]		
Address:	[REDACTED]	Rochester, NY 14621-4056	

[REDACTED]
Rochester, NY 14621-4056

93% SUCCESS RATE

YOU HAVE OPTIONS:

1. CALL YOUR LENDER and be prepared to offer them the majority of your arrearage to POSSIBLY keep your home.

--OR--

2. CALL PROGRAM 10 and keep your home.

DON'T SIT BACK AND DO NOTHING! BE A PART OF THE SUCCESS:

93% OF HOMEOWNERS WHO USE PROGRAM 10,

KEEP THEIR HOMES!

GUARANTEED HELP!
1-866-583-3030

EXHIBIT C

FORECLOSURE SOLUTIONS - 10945 Reed Hartman Hwy, Ste 108 - Cincinnati, OH 45242

Contact us: 8:00 am to 9:00 pm Monday through Friday, and 9:00 am to 2:00 pm Saturdays
Telephone: (513) 530-9930 - Fax: (513) 530-9998
Website URL: www.program10.com