



- (2) NCRC believes that Respondent's practices undermine Congressional intent to ensure a healthy, precise, open and robust housing market, as mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act), CFPB, the Federal Fair Housing Act, as well as federal and state civil rights and consumer protection laws.

Consumer Financial Protection Bureau has jurisdiction in this matter under Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203, July 21, 2010)

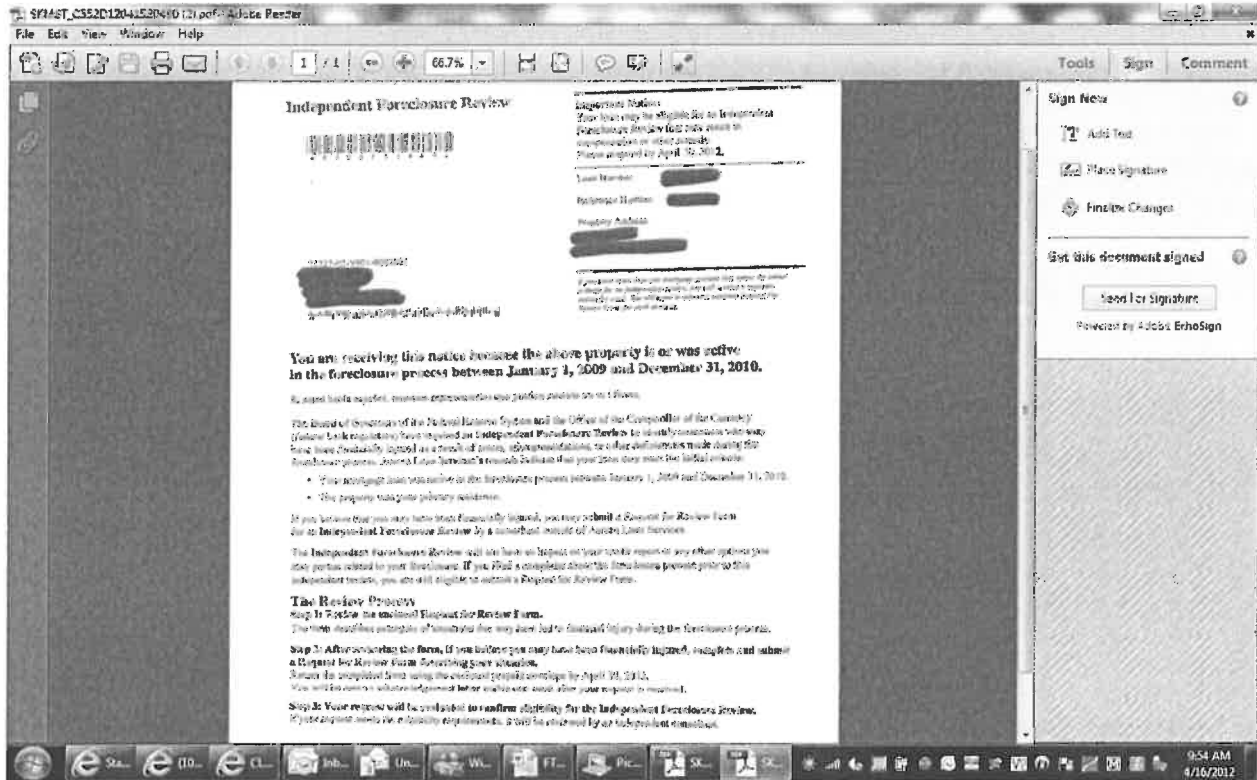
- (3) Respondents' business practices impact an undetermined number of American homeowners who have received written communications (See Exhibits A) or have been exposed to television commercials procured by one or more Respondents.

See Exhibits A (pg. 3) and B (pg. 4):



- (4) Exhibit A bears a striking resemblance to the legitimate “Independent Foreclosure Review” letter that is routinely sent to consumers as part of enforcement actions taken by the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency.

(Exhibit B)



- (5) NCRC urges the Consumer Financial Protection Bureau to investigate the Respondents to determine whether the Respondents have in fact engaged in unfair and/or deceptive trade practices. NCRC further contends that the “average” consumer, who relies on the information and representations of the Respondents, mistakenly believes that he or she is receiving an actual bargained for service or benefit.

PARTIES

- (1) Petitioner, The National Community Reinvestment Coalition (NCRC) is a national non-profit corporation organized under the laws of the District of Columbia, with its principal place of business located at 727 15<sup>th</sup> Street, Suite 900, Washington, D.C.

20005. NCRC was formed in 1990 by national, regional, and local organizations to develop and harness the collective energies of community reinvestment organizations from across the country. NCRC members represent and protect traditionally underserved and vulnerable populations. Members include community development corporations, civil rights groups, community reinvestment advocates, local and state government agencies, and churches. Through advocacy, education/training, and enforcement NCRC has a mission and purpose of increasing fair and equal access to credit, capital, and banking services and products for all Americans, and promoting compliance with and zealous enforcement of applicable federal and state consumer protection and fair lending laws, regardless of race, color, religion, national origin, gender, familial status, disability or age. NCRC is the author of studies describing the detrimental impact of foreclosure rescue scams on individuals and communities served by Petitioner and its members. In its 2010 report, **“Foreclosure Rescue Scams: A Nightmare Complicating the American Dream,”** NCRC addresses concerns surrounding foreclosure prevention rescue scams. The research study revealed that the insidious practice of foreclosure modification scams has become more prevalent with the increase of foreclosures. Scammers prey on desperate homeowners and con them into believing that they will receive a modification that significantly lowers their payment, or stabilizes an exploding adjustable rate mortgage or “ARM.”

- (2) Respondent, Adrian Cronauer, is a District of Columbia licensed attorney, maintaining an office at 910 17<sup>th</sup> Street, NW, Suite 800, Washington, DC 2006.
- (3) Respondent, Cronauer Law Center, Inc. describes itself as a law firm based in Washington, D.C. founded with the purpose of assisting and representing businesses and individuals in real estate, finance and debt resolution; specializing in areas of loan modification, foreclosure defense, debt settlement, Bankruptcy, Short Sale and debt related legal services. (Exhibit C).
- (4) Based on information provided to NCRC, Respondent, “Ryan”, aka Ryan Ali, answers phone calls at the offices maintained by Respondents Adrian Cronauer and the Cronauer Law Center, Inc.
- (5) Respondent, Shelby Taylor Amman (aka Amman) is a Legal Assistant and Senior Mortgage analyst associated with Respondents Adrian Cronauer and the Cronauer Law Center. (Exhibit D)
- (6) Respondent, Christopher Steele is identified as a Legal Assistant with Respondent Cronauer Law Center. (Exhibit E).
- (7) Respondents, John and Jane Doe are any other Legal Assistants, advisors, or personnel otherwise associated with Respondents Adrian Cronauer or Cronauer Law Center.

## STATEMENT OF FACTS

- (1) Complainant NCRC became aware of the Respondents' practices as a result of an inquiry from a homeowner (Homeowner 1) living in Maryland, who received a letter (Exhibit A) suggesting that the recipient had been "pre-determined to be eligible for mortgage assistance/loan modification" and that the offer was "in conjunction with the U.S. Government's HAMP (Home Affordable Modification Program) guidelines." The letter urged recipients who had experienced, "financial hardship," "negative equity", "late mortgage payments" or "loss of job or income" to call the sender "Within 30 Days of Notice Date" at (800) 239-5230. At the suggestion of NCRC staff, the Maryland homeowner called the aforementioned telephone number and was advised by a party identified as "Ryan," that the Respondent—Cronauer Law Center, might be able to obtain a new or modified loan for the homeowner and that no credit check was required. Ryan then provided the homeowner with an email address and phone number for follow-up contact. The email address provided was [rali@attorneysassistant.com](mailto:rali@attorneysassistant.com) and the phone number given was 800-360 6960 extension 6007. This phone number appears on letterhead, email correspondence and the Cronauer Law Website ([www.cronauerlawcenter.com](http://www.cronauerlawcenter.com)).
- (2) The homeowner was advised that the fee for this service was between two thousand five-hundred dollars (\$2,500) and four thousand dollars (\$4,000) and the payment was to be made upfront. When confronted about the illegality of these fees, "Ryan" reportedly advised that upfront fees were permitted if fully refundable. NCRC believes, and asks the FTC to determine that this statement is a direct violation of the Mortgage Assistance Relief Services rule (MARS) and does not meet the attorney exemption to that rule. The attorney in question is not licensed in the state where the consumer resides or where the dwelling is located. Further, the statements made to the homeowner are not in compliance with state laws and regulations governing attorney conduct related to the rule requiring an attorney to be identified in the advertisement.
- (3) Upon researching the attorney licensing records for the State of Maryland, (<http://www.courts.state.md.us/cpf/attylist.html>), the attorney, Respondent Adrian Cronauer is not licensed to practice in the State of Maryland, where both the property and the homeowner are located. Moreover, inasmuch as the letter received by Homeowner 1 does not identify any attorney name or law firm affiliation, NCRC believes the letter violates the Maryland Attorney Rules of Professional Conduct 7.2 (Advertising) which expressly mandates that:

*Any communication made pursuant to this Rule shall include the name of at least one lawyer responsible for its content.*

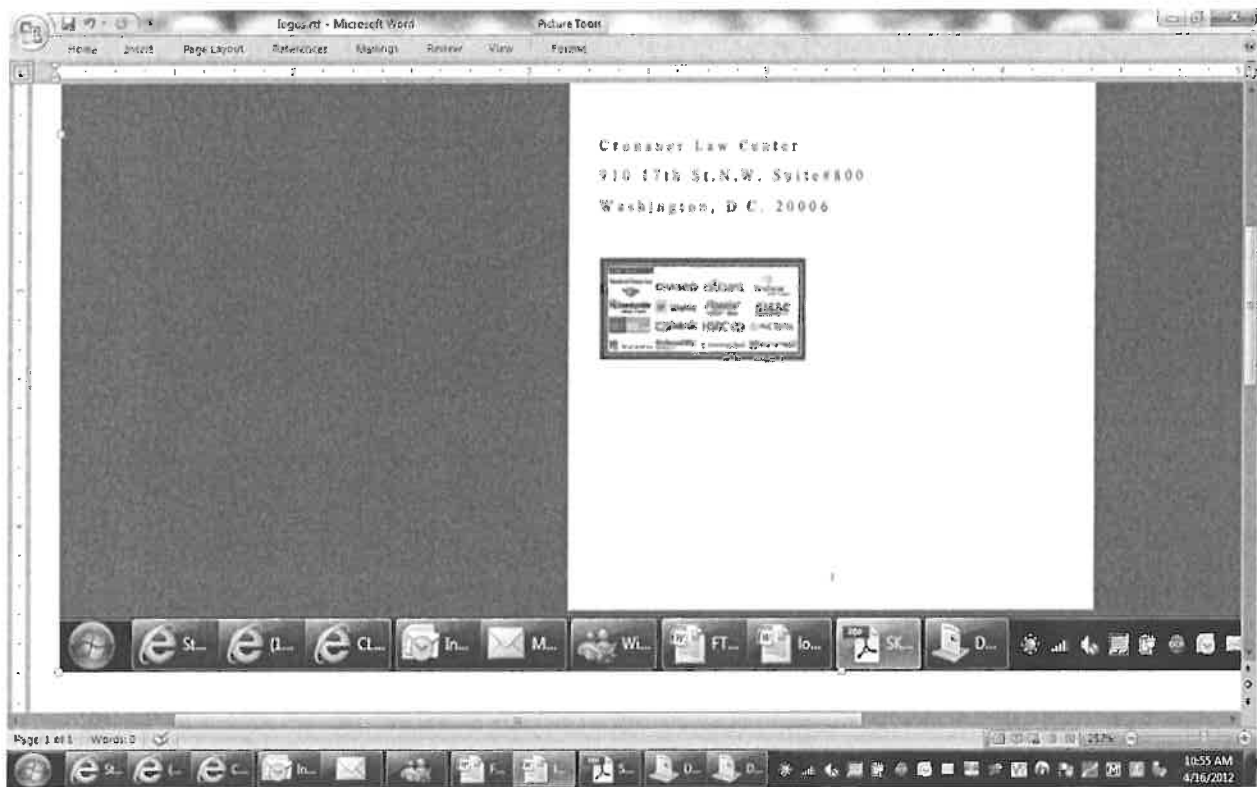
(<http://www.law.cornell.edu/ethics/md/code/>)

- (4) Later, NCRC was contacted by a family in Georgia (Homeowner 2) that saw an advertisement by the Cronauer Law Center on a Georgia television. Homeowner 2 received similar communications, and, in response to seeing the advertisement on television, called the phone number appearing in the commercial. In this instance, the homeowner was asked to provide a social security number and other personal data and received an email on Cronauer Law Center letterhead purporting to be an "Attorney-Client: Mortgage Modification Service Agreement. The letter agreement (Exhibit 3) states:

*Client retains Attorney to represent Client in connection with Client's request for modification of the terms of a mortgage loan...(referred to herein as "Lender")...based on the information provided by Client, Attorney will prepare and submit a loan modification request to the Lender on behalf of Client. If the Lender accepts the loan modification request, Attorney will use its best efforts to negotiate reasonable terms of a settlement with the Lender.*

- (5) The signature page of this document bears the purported signature of Adrian Cronauer, above the typed words "Cronauer Law Center Attorney at Law". NCRC's research did not locate an Adrian Cronauer licensed to practice law in the State of Georgia.
- (6) Accompanying the aforementioned document was a "Client Services Automatic Clearing House Payment Authorization Form, (Exhibit 4)" that calls upon the homeowner to make two payments of \$500 and \$800 respectively, totaling \$1,300 described on the form as "Mod Payment."
- (7) These documents were emailed to the homeowner from Respondent Shelby Ammann, from the email address [s.ammann@attorneysassistant.com](mailto:s.ammann@attorneysassistant.com). Below Mr./Ms. Ammann's signature appears the following language:
- *Cronauer Law center is part of a network of real estate-consumer protection law group (sic) based in Washington, D.C. was (sic) founded with a firm insight into assisting and representing individuals in real estate and finance. Years of experience along with a thorough understanding of state and federal guidelines and laws have made us into one of the most elite, trustworthy and well established law firms. **We are a full service consumer protection law firm that provides affordable nationwide representation to clients in need of assistance with: restructuring your current mortgage and foreclosure defense (emphasis added).***
- (8) The email was signed, "Shelby Taylor Amman-Legal Assistant/Sr. Mortgage Analyst," and provided a telephone number of 800-360-6960, the same number appearing on the Cronauer Law Center website ([www.cronauerlawcenter.com](http://www.cronauerlawcenter.com)). Below the signature block appeared the logos of 16 current and defunct large financial

institutions, none of which, based on information and belief, the Cronauer Law Center has any affiliation. (Exhibit F).



- (9) The Cronauer Law Center website, under “Services,” represents that the law firm “offers its clients a team of attorneys who are skilled in a variety of disciplines and are absolutely top quality; the attorneys pay incredible attention to detail.” NCRC contends that Respondent, Cronauer Law Center has grossly misrepresented its services and the qualifications of their “employees” via their website: [www.cronauerlawcenter.com](http://www.cronauerlawcenter.com)

#### CONCLUSION

- (10) Respondents’ misrepresentations and unfair practices have caused, are causing and are likely to cause substantial injury to consumers. This injury is not reasonably avoidable by the consumers themselves and not outweighed by countervailing benefits to consumers. Therefore, NCRC requests the immediate intervention of the CFPB.
- (11) This misleading practice of Cronauer Law Center, Inc. facilitates misinformed consumer choices nationwide, through deception and dishonesty, which leads to the



empowerment of loan modification and foreclosure rescue scammers. These predatory practices enable other real estate service providers who target vulnerable and unsophisticated consumers, in violation of federal and state fair housing and consumer protection laws.

- (12) Thus, the consumers who rely on the “accuracy” of Respondents’ information may find themselves struggling with loss of equity, predatory loans, deed fraud, and the possibility of foreclosure.

REQUEST FOR RELIEF

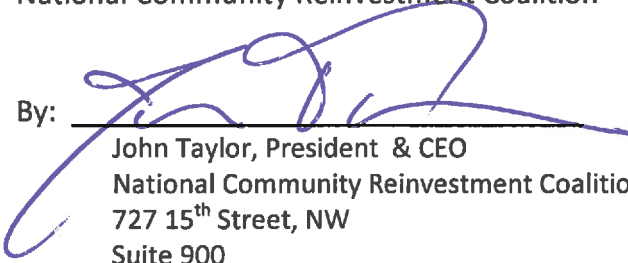
- (13) WHEREFORE, NCRC requests that the CFPB act in the public interest and permanently enjoin and restrain Respondents from violating MARS and other provisions within its discretion.
- (14) Find Respondents jointly and severally liable for redress to all homeowners injured as a result of the Respondents’ violations; and ensure that all employees, agents and affiliates incorporate appropriate consumer protection settlement terms as agreed upon by the parties and provide such other relief as the Commission finds necessary and appropriate.

Dated: April 17, 2012

Respectfully submitted,

National Community Reinvestment Coalition

By: \_\_\_\_\_

  
John Taylor, President & CEO  
National Community Reinvestment Coalition  
727 15<sup>th</sup> Street, NW  
Suite 900  
Washington, DC 20005