

*** Granted ***
See eSignature Page

1 Thomas C. Horne
Attorney General
2 (Firm State Bar No. 14000)
CHERIE L. HOWE
3 Assistant Attorney General
State Bar No. 013878
4 Office of the Attorney General
1275 West Washington Street
5 Phoenix, AZ 85007-2926
Telephone: (602) 542-7725
6 Facsimile: (602) 542-4377
consumer@azag.gov
7 Attorneys for the State of Arizona

8 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

9 **IN AND FOR THE COUNTY OF MARICOPA**

10 STATE OF ARIZONA, *ex rel.* THOMAS C.
HORNE, Attorney General,

11 Plaintiff,

12 vs.

13 THE MORTGAGE LAW GROUP, LLP, a
14 foreign limited liability partnership, also known
as the law firm of MACEY, ALEMAN &
15 SEARNS, and UNDERWATER PROPERTY
SOLUTIONS, LLC, an Arizona limited liability
16 company,

17 Defendants.

Case No.: CV2012-003966

**STIPULATED CONSENT JUDGMENT
AS TO DEFENDANT THE MORTGAGE
LAW GROUP, LLP, a/k/a THE LAW
FIRM OF MACY, ALEMAN & SEARNS**

Assigned to the Hon. Arthur Anderson

18
19 The State of Arizona ("State"), having filed a complaint alleging violations of the
20 Arizona Consumer Fraud Act, Arizona Revised Statutes ("A.R.S.") § 44-1521, *et seq.*, and
21 Defendant The Mortgage Law Group, LLP ("TMLG") having been fully advised of the right
22 to a trial in this matter and having waived the same, admits that this Court has jurisdiction
23 over the subject matter and the parties for purposes of entry of this Consent Judgment and
24 acknowledges that this Court retains jurisdiction for the purpose of enforcing this Consent
25 Judgment.

26 ///

1 Defendant TMLG has agreed to a voluntary compromise of disputed claims, and the
2 State of Arizona and Defendant TMLG have agreed on a basis for the settlement of these
3 matters in dispute.

4 Defendant TMLG denies the State's claims in its complaint that it violated the Arizona
5 Consumer Fraud Act. This Consent Judgment does not constitute an admission by Defendant
6 TMLG for any purpose of any violation of any state law, rule or regulation nor does this
7 Consent Judgment constitute evidence of any liability of Defendant TMLG. This Consent
8 Judgment is made without trial or adjudication of any issues of fact or law or finding of
9 liability of any kind.

10 **PARTIES**

11 1. The Plaintiff is the State of Arizona, ex rel. Thomas C. Horne, Attorney General,
12 who is authorized to bring this action under the Arizona Consumer Fraud Act, A.R.S. § 44-
13 1521, *et seq.*

14 2. Defendant The Mortgage Law Group, LLP is a Nevada limited liability
15 partnership with its principal place of business in Chicago, Illinois. TMLG also does business
16 as the law firm of Macey, Aleman & Searns.

17 **ORDER**

18 3. The injunctive terms of this Order shall apply to TMLG as well as any entity
19 controlled by TMLG or any successor entity or entities, whether by acquisition, merger or
20 otherwise, to the extent those entities are operating a business involving originating, closing,
21 or modifying any term of a consumer's mortgage loan or obtaining principal reductions on a
22 consumer's debt, of any kind, whether such activities are performed in the entity's own name
23 or through or on behalf of a third party. The injunctive terms of this Judgment do not apply to
24 TMLG's members other than to the extent that such members are acting on behalf of TMLG.

25 4. Defendant TMLG shall comply with the Arizona Consumer Fraud Act, A.R.S. §
26 44-1521 *et seq.*, as it is currently written and as it may be amended.

1 5. Defendant TMLG shall not engage in any activity, whether such activities are
2 performed in the entity's own name or through or on behalf of a third party, that involves
3 originating, closing, or modifying any term of a consumer's mortgage loan, or obtaining a
4 principal reduction on a consumer's debt, of any kind, while in the State of Arizona or on
5 behalf of any Arizona consumer.

6 6. Notwithstanding paragraph five herein, TMLG shall be permitted to continue
7 working on any Arizona consumer file that it began work on before the date this Consent
8 Judgment is approved by the Court.

9 7. Without admitting any liability and solely to resolve this matter without the fees,
10 expenses, and risks of litigation, Defendant TMLG shall pay the Attorney General's Office
11 the sum of thirty-nine thousand two hundred and eighty dollars (\$39,280) as consumer
12 restitution, pursuant to A.R.S. § 44-1528, to be deposited into an interest bearing trust account
13 and distributed to eligible consumers by the Attorney General's Office. For purposes of this
14 Consent Judgment, "eligible consumers" mean consumers who filed a complaint with the
15 Arizona Attorney General's Office before the date this Consent Judgment is submitted to the
16 Court for its approval and whose complaint arose as a result of the consumer contracting with
17 Defendant TMLG for mortgage loan modification services and who are not otherwise entitled
18 to restitution pursuant to the State's Consent Judgment with co-defendant Underwater
19 Property Solutions, LLC. In the event the amount ordered as restitution herein is not
20 sufficient to fully restore eligible consumers the amounts they paid to TMLG for mortgage
21 modification services, the amount shall be distributed to them on a pro rata basis. In the event
22 that any portion of the restitution ordered herein cannot be distributed to eligible consumers,
23 such portion shall be deposited by the Attorney General into the consumer protection-
24 consumer fraud revolving fund in accordance with A.R.S. § 44-1531.01 and used for the
25 purposes specified therein.

26 8. Without admitting any liability and solely to resolve this matter without the fees,

1 expenses, and risks of litigation, Defendant TMLG shall pay the shall pay the Attorney
2 General's Office sixty thousand dollars (\$60,000) as fees and costs, pursuant to A.R.S. § 44-
3 1534, and said amount shall be deposited by the Attorney General into the consumer
4 protection-consumer fraud revolving fund in accordance with A.R.S. § 44-1531.01 and used
5 for the purposes specified therein.

6 9. The payments ordered herein (collectively totaling ninety-nine thousand two
7 hundred and eighty dollars (\$99,280), shall be made payable to the Office of the Arizona
8 Attorney General in three payments according to the following schedule:

9 1st payment of thirty-three thousand ninety-three dollars and thirty-three cents
10 (\$33,093.33), due within ten (10) days from the date this Consent Judgment is approved
11 by the Court;

12 2nd payment of thirty-three thousand ninety-three dollars and thirty-three cents
13 (\$33,093.33), due within fifty (50) days from the date this Consent Judgment is approved
14 by the Court;

15 3rd payment of thirty-three thousand ninety-three dollars and thirty-three cents
16 (\$33,093.33), due within ninety (90) days from the date this Consent Judgment is
17 approved by the Court

18 The amounts ordered herein shall be distributed by the Attorney General's Office first as
19 restitution, then as costs and fees.

20 10. In the event of a default of any payment obligation imposed by this Consent
21 Judgment, and in addition to any other relief or remedy elected or pursued by the State, all
22 payments set forth herein shall be accelerated and shall become due and owing in their
23 entirety as of the date of the default, with interest accruing at the rate of ten percent (10%) per
24 annum for the full amount owing as of that date.

25 11. Defendant TMLG shall not represent or imply that the Attorney General, the
26 State of Arizona, or any agency thereof has approved any of its actions or its past, present or

1 future business practices, and TMLG is enjoined from directly or indirectly representing
2 anything to the contrary.

3 12. This Court retains jurisdiction of this matter for the purposes of entertaining an
4 application by Plaintiff, State of Arizona, for the enforcement of this judgment.

5 13. This Consent Judgment may be modified or vacated by order of this Court. After
6 providing at least thirty (30) days written notice and after making a good faith effort to obtain
7 concurrence of the other party for the requested order to modify or vacate, which concurrence
8 shall not be unreasonably withheld, the party seeking an order to modify or vacate may
9 petition this Court therefore. The Court will modify or vacate this Consent Judgment upon a
10 showing of good cause.

11 14. Before initiating any proceeding to enforce this Consent Judgment, the Attorney
12 General shall provide at least thirty (30) days written notice to Defendant TMLG to provide it
13 a reasonable opportunity to cure any alleged violation. Whenever possible, the parties shall
14 seek to resolve an alleged violation of this Consent Judgment by discussion. In addition, in
15 determining whether to enforce this Consent Judgment or to seek an order for monetary, civil
16 contempt, or any other relief or sanction, the Attorney General shall give good faith
17 consideration to whether Defendant TMLG has taken corrective action designed to cause the
18 claimed violation to be cured and to prevent future occurrences.

19 15. The State acknowledges by its execution hereof that this Consent Judgment
20 constitutes a complete settlement of its allegations against Defendant TMLG and it agrees
21 that it shall not institute any additional civil action against TMLG, or TMLG's members,
22 managers, employees or agents, based on TMLG's alleged violations of the Arizona
23 Consumer Fraud Act, as described in the State's Complaint.

24 16. Notwithstanding the foregoing, the State may institute an action or proceeding to
25 enforce the terms and provisions of this Consent Judgment or to take action based on future
26 conduct by Defendant TMLG, its owners, managers, employees or agents.

CONSENT TO JUDGMENT

1
2 1. Defendant TMLG states that no promise of any kind or nature whatsoever was
3 made to it to induce it to enter into this Consent Judgment and that it has entered into the
4 Consent Judgment voluntarily.

5 2. Defendant TMLG has fully read and understands this Consent Judgment,
6 understands the legal consequences involved in signing it, asserts that this is the entire
7 agreement of the parties, and that there are no other representations or agreements not stated in
8 writing herein, and no force, threats, or coercion of any kind have been used to obtain its
9 representative's signature.

10 3. Notwithstanding paragraph fifteen of this Consent Judgment, wherein the State
11 acknowledges that this Judgment constitutes a complete settlement of its allegations against
12 Defendant TMLG and TMLG's members based on TMLG's alleged violations of the Arizona
13 Consumer Fraud Act as described in the State's Complaint, Defendant TMLG acknowledges
14 that Plaintiff's, State of Arizona's, acceptance of this Consent Judgment is solely for the
15 purpose of settling this litigation and does not preclude the Plaintiff, or any other agency or
16 officer of this State, or subdivision thereof, from instituting other civil or criminal proceedings
17 as may be appropriate now or in the future.

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

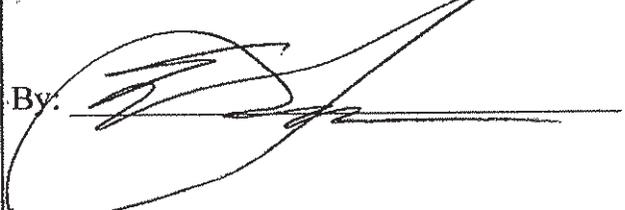
25 ///

26 ///

1 4. Defendant TMLG acknowledges that the person signing this Consent Judgment
2 on its behalf is duly authorized to do so.

3 DATED this 17th day of August, 2012.

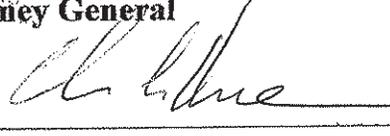
4 The Mortgage Law Group, LLP

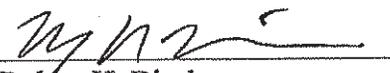
5
6 By: 

8 **APPROVED AS TO FORM AND CONTENT:**

9 **Thomas C. Horne**
10 **Attorney General**

Robby H. Birnbaum
Greenspoon Marder, P.A.

11 By: 
12 Cherie L. Howe
13 Assistant Attorney General
14 Counsel for Plaintiff


15 Robby H. Birnbaum
16 Counsel for Defendant The
17 Mortgage Law Group, LLP
18 only admitted in Florida

15 #2617620v2

16
17
18
19
20
21
22
23
24
25
26

Granted

Signed on this day, August 28, 2012



/S/ Arthur Anderson

Judicial Officer of Superior Court