

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

-----X  
PEOPLE OF THE STATE OF NEW YORK, by  
ERIC T. SCHNEIDERMAN, Attorney General of the  
State of New York,

Petitioner,

**VERIFIED PETITION**

Index No.: \_\_\_\_\_

-against-

IAS Part: \_\_\_\_\_

LITVIN LAW FIRM, PC, LITVIN, TORRENS &  
ASSOCIATES, PLLC, and GENNADY LITVIN,  
individually, and as principal of  
LITVIN LAW FIRM, PC and LITVIN, TORRENS &  
ASSOCIATES, PLLC,

Assigned to Justice: \_\_\_\_\_

Respondents.

-----X

The People of the State of New York, by their attorney, Eric T. Schneiderman, Attorney  
General of the State of New York, allege upon information and belief:

**INTRODUCTION**

1. Petitioner brings this special proceeding to permanently enjoin Respondents from engaging in deceptive, fraudulent and illegal business practices that target distressed homeowners who are seeking to lower their mortgage payments or save their homes from foreclosure and to recover restitution, damages, disgorgement, civil penalties and costs.

2. Respondents, directly and through third party marketers ("Third Party Marketers"), have deceptively induced homeowners to pay a fee of typically \$595.00 or \$750.00 per month by representing that they will provide them with a comprehensive legal services plan that will allow them to avoid foreclosure or obtain a mortgage modification. As a result of Respondents' representations, vulnerable homeowners have paid Respondents thousands of

dollars for services they could have obtained from qualified non-profit housing counselors or legal services attorneys for free, only to find that Respondents routinely fail to prevent foreclosure or obtain a loan modification as promised. In fact, many of these consumers never meet or speak to an attorney. Many consumers find themselves in a worse position vis-a-vis their mortgages than they would have been had they not turned to Respondents for help, including facing foreclosure, having to file for bankruptcy, and even losing their homes.

3. Since 2011, Respondents' business practices have generated numerous consumer complaints to the United States Federal Trade Commission ("FTC"), other state law enforcement agencies, including the New York State Attorney General's Office and the State of New York Grievance Committee, the Better Business Bureau and the Lawyers' Committee for Civil Rights under Law, a nonpartisan, nonprofit organization that provides legal assistance through the private bar.

4. The States of Connecticut, Georgia, and North Carolina have issued cease and desist orders to Respondents Litvin Law Firm, PC and Gennady Litvin demanding that they stop soliciting for legal services in those states. Respondents Litvin Law Firm and Gennady Litvin are also banned from doing business in Rhode Island, and the Maryland Attorney General's Office has issued charges against them for engaging in unfair and deceptive trade practices.

5. In late 2012, the Third Party Marketers, with whom Respondents collaborated, ceased operating after the FTC obtained a preliminary injunction against them in the United States District Court for the Southern District of Florida. As part of the FTC action, a permanent receiver was appointed. In May 2013, that receiver brought an action against Respondents and Luis Torrens of Litvin, Torrens & Associates, PLLC in the United States District Court for the Southern District of Florida, alleging, among other things, that these entities "were material

participants, co-conspirators and aiders and abettors” of the Third Party Marketers in the deceptive practices alleged by the FTC. This matter is still pending.

6. However, Respondents, who are based in New York, continue to engage in repeated and persistent fraud and illegality in violation of Executive Law § 63(12), GBL §§ 349 and 350 (Article 22-A), and New York Judiciary Law §§ 479 and 482.

### **PARTIES AND JURISDICTION**

7. Petitioner is the People of the State of New York, by Eric T. Schneiderman, Attorney General of the State of New York.

8. Respondent Litvin Law Firm, P.C. (“Litvin Law Firm” or “Litvin”) is a law firm with its headquarters at 1716 Coney Island Ave, 5th Floor, Brooklyn, New York 11230.

9. Respondent Litvin, Torrens & Associates, PLLC (“Litvin Torrens”) is a law firm with offices at 11890 SW 8th Street, Suite 214, Miami, FL 33184. Litvin Torrens has also used the address of 1716 Coney Island Avenue, Brooklyn, New York to conduct business.

10. Respondent Gennady Litvin is an attorney admitted to practice in Florida in 2008 and New York in 2009 and is a principal partner at both the Litvin Law Firm and Litvin Torrens. However, he currently is not eligible to practice law in Florida.<sup>1</sup>

11. Petitioner brings this proceeding pursuant to (a) Executive Law § 63(12) under which Petitioner is empowered to seek injunctive relief, restitution, damages, disgorgement and costs against any person or business entity that has engaged in repeated fraudulent or illegal acts or otherwise engaged in persistent fraud or illegality in the conduct of business; (b) General Business Law (“GBL”) Article 22-A under which Petitioner is empowered to seek injunctive relief, restitution and civil penalties against any person or business entity that has engaged in

---

<sup>1</sup> Although the Florida Bar website indicates that Litvin is a member in good standing of the Florida bar, it states that he is “CLER exempt” (exempt from Florida continuing legal education requirements) and thus is currently not eligible to practice law in Florida.

deceptive acts or practices and/or false advertising in the conduct of business; (c) and New York Judiciary Law §§ 479 and 482, which prohibit the solicitation of business on behalf of an attorney and the employment by an attorney of a person to aid, assist or abet in the solicitation of business.

### **FACTS**

#### **A. Respondents' Deceptive Recruitment of Vulnerable Homeowners for Legal and Other Mortgage Assistance Through Third Party Marketers**

12. From at least mid-2010 through late 2012, Respondents relied extensively on the Third Party Marketers to solicit homeowners.

13. These Third Party Marketers, many of which used the term “legal” in their names, included but were not limited to Prime Legal Plans, Freedom Legal Plans, Frontier Legal Plans, American Legal Plans, American Hardship Group and Reaching U Network.

14. The Third Party Marketers did not in fact provide legal services or other representation to homeowners but rather referred homeowners to law firms, including most notably the Litvin Law Firm.

15. Respondents and the Third Party Marketers shared the consumers' fees, which were typically either \$595.00 or \$750.00 per month.

16. The Third Party Marketers solicited homeowners through cold calls, brochures, television, and websites, including Spanish language websites.

17. The Third Party Marketers, through their websites and in telephone conversations, promised distressed homeowners that they would receive comprehensive legal representation from experienced foreclosure defense attorneys.

18. The Third Party Marketers represented that the consumer would have a “custom made attorney defense team” and touted the “caliber” of the lawyers. They promised that

homeowners would receive “white glove service” and that the lawyers would be available and responsive.



19. Similarly, on their websites, the Third Party Marketers touted the extensive experience of the attorneys in their network, which most notably included Litvin. For example, they represented that these attorneys were “specially selected,” “concentrate[d] in real estate and foreclosure work,” “one of the best at litigation,” and provided a “level of service that usually is only enjoyed by large corporate clients.” They likened the network attorneys to a “Ferrari” as opposed to the bank’s attorney, who they compared to a “Honda.” They represented that the network attorneys could even get foreclosures dismissed and mortgages deleted, results that were improbable at best.

## FAQs

like a Ferrari (our attorney ) racing against a Honda (the bank's attorney) there is no contest we win every time.

20. The Third Party Marketers also purported to provide consumers with “forensic loan audits” and other reports that were “vitally important” to identify errors in their mortgage loan documents, ferret out predatory lending practices and gather information that attorneys will use to defend against foreclosure and win concessions from lenders.

**PRIME Access Management**  
SERVICE • MANAGEMENT • COMMUNICATION

Forms | Overview | Contact | Success Stories

Main page | Mission | Why Prime | About Us | Attorneys | Plan Details | FAQs

### About Us

*(continued from previous page)*  
Prime Access Management is not a law firm nor do they provide legal advice, however, your account manager will be thoroughly familiar with your case and if they cannot answer your question they will contact your attorney on your behalf and have them return your call within hours.

#### Audits and Documents

Prime Discovery is a complete audit and document facilitator that provides another great value and important benefit of working with Prime Access Management. Prime Discovery is a specialized company that, at the direction of your network Attorney compiles reports and information that is vitally important to defend a foreclosure action. If a bank or creditor is making a claim against your home, your network attorney may advise you to arm yourself with as much specific information as possible regarding your home.

[Read Article](#)

21. The Third Party Marketers told consumers that the audit would be provided to Respondents, who would represent the consumer in (a) negotiating a new mortgage, (b) obtaining a forbearance plan, and (c) in court appearances such as in defending a foreclosure proceeding or a suit against the mortgage provider or servicer for damages.

22. The Third Party Marketers repeatedly and persistently represented that consumers could obtain results that are far from the typical results that homeowners could expect to achieve in negotiating with their loan servicers on their own.

23. The Third Party Marketers often guaranteed that the consumer would receive a mortgage modification, that the consumer would not lose his or her home, or that the consumer could also receive a reduction in principal or interest.

24. The Third Party Marketers also repeatedly misrepresented their network attorneys' success rate. In some cases, they even represented that the consumers would win the home free and clear of the mortgage or that the consumer would get money back from the bank.

25. The Third Party Marketers further represented that they could get the consumer a specific low mortgage rate such as 2% or cut the homeowner's monthly mortgage payment by as much as half.

26. All this, they often represented, could be done in an unrealistically short period of time, as little as three months.

27. However, many consumers did not receive the legal representation they were promised. They never obtained a loan modification, principal reduction, more affordable monthly mortgage payments or other foreclosure relief, and often wound up having to negotiate with lenders on their own.

28. Moreover, the forensic audits typically had very little value for consumers, took a long time during which consumers were paying monthly fees, and failed to accomplish the results that Respondents and the Third Party Marketers represented they would.

29. These consumers suffered significant economic injury, paying hundreds or thousands of dollars to Respondents and receiving little or no service in return. Some consumers even went into foreclosure and lost their homes.

30. In September 2012, the FTC commenced a legal action against the Third Party Marketers in the United States District Court for the Southern District of Florida for engaging in deceptive and unlawful acts and practices in the provision of mortgage assistance relief services, including loan document and transaction reviews, mortgage loan modification services, and foreclosure defense services. The district court granted a temporary restraining order freezing the assets of the Third Party Marketers and appointing a receiver. The court subsequently granted a preliminary injunction prohibiting the Third Party Marketers and those acting in concert with them from, among other things, falsely representing that: 1) generally, and as a result of various loan audits, they will obtain mortgage modifications that will make consumers' payments substantially more affordable, or will help consumers avoid foreclosure; 2) the amount of time it will take the mortgage assistance relief service provider to accomplish any represented service or result; 3) the degree of their success in performing any mortgage assistance relief service, including through the provision of legal services; and 4) the frequency that various audits will reveal fraud, errors or predatory acts. They were also prohibited from advising that consumers cannot or should not contact or communicate with their lender or servicer.

31. After the FTC obtained its injunction against the Third Party Marketers, Litvin continued the same deceptive scheme on its own.

32. Shortly after the injunction was obtained, Litvin contacted consumers who had originally been solicited and referred by the Third Party Marketers and instructed them to sign a new retainer agreement and pay Litvin directly going forward.



33. In several cases, the firm offered the consumers a reduced monthly payment from \$595 to \$500 as an incentive to do so.

**B. Respondents' Direct Misrepresentations**

34. Although most consumers were introduced to Litvin through the Third Party Marketers, Litvin representatives have made the same misleading representations on their website, in their written communications and promotional materials and when speaking with consumers directly.

35. Through their own website, advertisements, and direct misrepresentations to consumers, Respondents have continued to deceive vulnerable homeowners into believing that they will receive comprehensive foreclosure defense from an expert legal team.

36. In reality, these homeowners have paid Respondents hundreds of dollars in monthly fees and frequently often without receiving the legal services they were promised. In some cases, homeowners have found themselves in even greater danger of losing their homes.

**1. Respondents' Misrepresentations about the Nature and Quality of Litvin's Representation**

37. On its homepage, the firm claims to “concentrate our practice on foreclosure defense in 31 states across the U.S.,” and characterizes these states as its “Other Locations.”<sup>2</sup>

---

<sup>2</sup> These states include Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New York, New Jersey, Nevada, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, Utah, Virginia, Washington and Wisconsin.

Litvin Law...

## A Different Kind of Law Firm

Welcome to the Litvin Law Firm and thank you for visiting our website. Litvin Law Firm is a different kind of Law Firm. We concentrate our practice on foreclosure defense in 31 states across the US and we break the mold of traditional law firms that work short hours, charge high upfront retainer fees, and provide a limited level of client service and accessibility. In fact, our principal Gennady Litvin states that *"world class client service and communication along with result driven effective legal strategies are the firms primary objectives."*

.....

### Latest News

**Help for homeowners whose facing foreclosure**  
02-24-14 Monday  
Your home is in a great area to own a home, work,

**Three Government Programs Your Foreclosure Attorney can Help With**  
01-09-14 Thursday

**The Obama Initiative**  
In April of 2013, the Obama administration forwarded an initiative

[Read More](#)

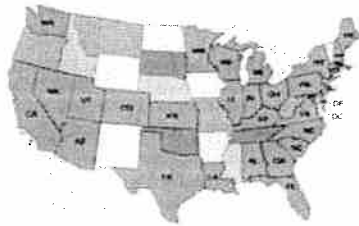
### Testimonials

**Alyssa S. (Foreclosure Defense Client Review from Newton, CT):** Natasha Faublas has worked with me for over a year trying to get the restructured mortgage with IndyMac bank. She

**Jean P. (Foreclosure Defense Client Review From Toccoa, GA):** "My husband had a heart attack in 2007 and as anyone would know something like that can put a financial bind

[Read More](#)

### Our Locations



We are conveniently located in the states highlighted above

[About Us](#) | [Office Locations](#) | [FAQ](#) | [Free Help](#) | [Practice Areas](#) | [Blog](#) | [Services](#) | [Privacy Policy](#) | [Contact Us](#) | [Resources](#) | [Startup](#)

© 2014 Litvin Law Firm, P.C. Corporate Headquarters: 1716 Conny Island Ave, 5th Floor, Brooklyn, NY 11230

**Other Locations**

Alabama | Arizona | California | Colorado | Connecticut | Delaware | Georgia | Illinois | Indiana | Kansas | Kentucky | Louisiana | Maine | Maryland | Massachusetts | Michigan | Minnesota | North Carolina | New Hampshire | New York | New Jersey | Nevada | Ohio | Pennsylvania | South Carolina | Texas | Utah | Virginia | Washington | Wisconsin

38. The Litvin Law Firm's letterhead similarly lists numerous "Of Counsel" to the Firm who are admitted to the bars in various different States.



## LITVIN LAW FIRM, P. C.

### Founding Member

Gennady Litvin, Esq. (NY and FL)

### Of-Counsel Attorneys

Abbey Herrin, Esq. (AL)

Donald T. Emmi, Esq. (CO)

David Steinberg, Esq. (MD, DC)

Douglas C. Howard, Esq. (KY, IN)

William Lazzarago, Esq. (NY)

Richard J. Symmes, Esq. (WA)

Michael J. Davidson, Esq. (NV)

Russell P. Sacco, Esq. (PA)

Scott Poston, Esq. (UT)

Maxwell Livingston, Esq. (WI)

Andrew Ivchenko, Esq. (AZ)

Anthony V. Zeolla, Esq. (CT)

Jason Khano, Esq. (GA)

David C. Graham, Esq. (KS)

Yuriy Moshes, (NY, NJ)

Vadim Sigal, Esq. (MI)

Lawrence J. D'Amelio, III, Esq. (NC)

James B. Roberts, Esq. (SC)

Jeremy J. Domozick, Esq. (VA)

Luis Torrens, Esq. (FL)

Arasto Farsad, Esq. (CA)

Leo John Ramunno, Esq. (DE)

Pirogovsky Fromderman (IL)

Wilfred D. Denis III, Esq. (LA)

J. Miller & Associates (NH, ME, MA)

Howard S. Kleyman, Esq. (MN)

Lashley Stroud, Esq. (OH)

Lynda S. Ladymon, Esq. (TX)

39. According to Litvin's website, clients will receive "[r]epresentation by a licensed foreclosure attorney who is a member of your local state bar" and "[a] personally assigned paralegal that is completely familiar with your case and available from 9:00 AM -- 9:00 PM EST."

40. The website also represents that Litvin's attorneys and paralegals are "experienced" in foreclosure.

*You can defend foreclosure!* The attorneys and paralegals at the Litvin Law Firm are experienced on the subject. For information on foreclosures, the process, your options and how to save your home, please call a Litvin foreclosure professional at (877) 829-4104, respond to our live chat on this page, or fill out the short form on this page and a member of the Litvin Law Firm foreclosure team will reach out to you.

41. Additionally, the website represents that the Litvin Law Firm provides comprehensive legal representation and is not a "loan modification" company.

42. However, contrary to these representations, many Litvin clients never receive the legal representation or help promised by Litvin in avoiding foreclosure, and are often left to negotiate with their lenders on their own.

43. The Litvin Law Firm does not, and cannot provide, foreclosure defense representation nationwide. Gennady Litvin, the named partner, is admitted only in New York and Florida, and is currently not eligible to practice law in Florida.

44. Nor does Litvin have the nationwide affiliations that it purports to have. Most of the firm's "Of Counsel" are not employees or members of the Litvin Firm and do not actually work within the confines or under the supervision of Respondents but are practicing law in another State as either sole practitioners or affiliates of other firms.

45. Moreover, the Litvin attorneys do not have the extensive experience in foreclosure defense touted in their promotional materials or by their marketers or employees. Gennady Litvin himself was only admitted to the Florida bar in 2008 and the New York bar in 2009, and Litvin's contract attorneys were only required to have minimal foreclosure experience.

46. Many consumers are surprised to find that once they are enrolled, they have very little contact with an attorney. Although they may be assigned to an attorney in a nominal sense, many consumers never meet or speak to a network attorney licensed in the state where they reside or where the property at issue is located, or have had only introductory conversations. In fact, some consumers have no contact with an attorney at all and receive no legal representation.

47. Typically, consumers have been assigned to a non-attorney customer service representative from the Third Party Marketer and/or a paralegal from the Litvin Law Firm, who are their primary points of contact during enrollment.

48. In addition, contrary to claims on Litvin's website representing that the firm is "Available when you need us" and offers "Personal Customer Service," Litvin's non-attorney staff repeatedly fails to provide consumers with the personal and attentive service promised and have left many consumers feeling frustrated and concerned about the progress of their mortgage modification.

## The Litvin Difference

---

- » Affordable
- » Pay as You Go
- » Available When You Need Us
- » 24 Hour online Access
- » Personal Customer Service
- » Focused on Foreclosure

49. Respondents repeatedly ask consumers to submit the same papers over and over again, but then never submit them to their lenders, or only submit them in part.

50. Additionally, once consumers enroll, Respondents repeatedly fail to respond to their phone calls and other inquiries about the status of their modification, even when they are trying to stop a foreclosure sale.

### 2. **Respondents' Repeated and Persistent Provision of Misinformation to Consumers**

51. When consumers are actually able to speak to someone at Litvin or the Third Party Marketers, Respondents repeatedly provide erroneous or detrimental advice.

52. Respondents have advised consumers not to pay their mortgages or knew that consumers had ceased making such mortgage payments when they started paying Litvin and the Third Party Marketers and failed to advise them against doing so.

53. Respondents have also advised consumers not to contact their mortgage providers, placing them in even greater danger of foreclosure.

3. **Respondents' Failure to Provide the Results Represented or Refunds of the Significant Fees Paid by Homeowners**

54. The website also states that clients pay “No up-front fees,” but rather “An affordable, ‘pay as you go’ low monthly retainer fee.”

55. Moreover, the website states that clients have “[n]o long-term commitments or obligations” and that “clients never pay the high up front retainer fees charged by most law firms. Instead, Litvin has formulated a monthly retainer fee structure that allows clients to pay as they go.”

56. The website asks “Who said that a high quality foreclosure defense attorney had to cost a fortune? Litvin Law firm understands that if you could afford to pay high attorney fees you could probably afford to pay your mortgage.”

57. The website also touts the firm’s ability to get leverage over the homeowner’s bank. For example, the website represents that:

- Litvin has “successfully worked with thousands of families” and that “by engaging the attorney at Litvin Law Firm you are assured that the bank attorneys will not railroad you into a settlement that might not be in your best interest.”
- The Litvin firm “has successfully negotiated hundreds of the following types of settlements for their clients . . . Stopped foreclosure sale [sic], loan modifications, loan restructures, forbearance agreements, short sales, deed [sic] in lieu of foreclosure.”
- The “Litvin Law Firm has been able to have hundreds of foreclosures dismissed in court due to the inability of the lender to produce the required documents.”

58. Respondents make similar claims when speaking directly to consumers.

59. Respondents represent that the firm uses its leverage to keep people out of court, slow or stop foreclosure proceedings and get the banks to agree to the terms they really want.

60. Respondents also represent that they have been very successful in getting homeowners principal reductions and low interest payments, claiming to have saved Litvin's clients millions over two years.

61. Respondents even represent that they will proactively sue the homeowner's lender for predatory practices.

62. However, contrary to representations on the Litvin Law Firm's website that Litvin does not charge "high upfront retainer fees" and that there are "no long term commitments or obligations," Litvin has repeatedly collected high monthly fees from consumers, in some cases amounting to thousands of dollars, without providing the results promised.

63. In many cases, Litvin has not provided legal defense to homeowners who sought its assistance and has brought few, if any, affirmative legal actions to invalidate outstanding mortgages.

64. Respondents routinely fail to deliver the results that they or the Third Party Marketers have promised, and in fact, have left some consumers in a worse position than before they retained Respondents.

65. The "forensic audit" that was conducted on consumers' behalf and that was touted as the key to saving their home is typically never used for anything.

66. Many consumers do not obtain the promised loan modification. Others have found themselves facing bankruptcy or foreclosure.

67. In many cases, consumers have wound up in a worse financial position than when they began working with Respondents. Some of these consumers have been current on

their mortgage payments before enrolling with Respondents yet after engaging Respondents have found themselves behind on their mortgage payments. Some have even found themselves in further danger of losing their homes or filing for bankruptcy.

68. In other cases, consumers have paid Respondents but subsequently obtained a mortgage modification on their own, thus paying Respondents for nothing.

69. In fact, when Respondents have submitted loan modification papers to the homeowner's servicer or lender, Respondents have simply provided the same services that are available through government and not-for-profit entities for free.

70. When consumers try to get refunds for services they failed to receive, Respondents routinely deny these requests.

71. Indeed, it is firm policy not to give refunds even when it is unsuccessful in helping a client.

**4. Use of Misleading Radio and Television Advertisements that Falsely Appear to be Sponsored by the Government**

72. In January and February 2013, shortly after the FTC enjoined the Third Party Marketers from operating and Litvin lost its direct pipeline for soliciting new homeowners, Litvin began running its advertisements on New York radio, including 60 second spots on New York stations such as WINS 1010 Radio. A version of this advertisement also appeared on television and continues to appear on the Litvin Law Firm website, [www.litvinlaw.com](http://www.litvinlaw.com).



---

Spot Player



---

73. These advertisements appeared to be “urgent” public service announcements related to the national mortgage settlement obtained by forty-nine state Attorneys General and the federal government in April 2012. The advertisements repeatedly and falsely represented that many homeowners facing foreclosure had their mortgages “disqualified and satisfied in full” and exhorted consumers to call an 800 number to determine whether their mortgage had been “satisfied in full.”

74. In fact, the advertisements were not authorized by the Attorney General or any governmental agency and the toll-free number stated was the number of the Litvin Law Firm.

75. Specifically, the advertisement stated:

This is an urgent message for all homeowners who faced a foreclosure action over the last three years. Your mortgage may be satisfied in full. Your mortgage may be satisfied in full. Forty-nine State Attorneys General and the Federal Government reached a historic joint state federal settlement with the country’s five largest mortgage servicers. Now many homeowners facing foreclosure have had their mortgages disqualified and satisfied in full. If you have faced foreclosure within the last three years, call 1-800-965-

3038 to find out if your mortgage has been satisfied in full. That's 1-800-965-3038. Even if your servicer continues collection efforts, your mortgage may still have been satisfied in full. This service is provided free by the Litvin Law Firm. Call right now and find out if your mortgage has been satisfied in full. 1-800-965-3038. That's 1-800 965-3038.

76. Indeed, although the national mortgage settlement provided incentives for mortgage servicers to extinguish some second lien mortgages, it did not require any mortgages to be written off entirely or treated as satisfied in full. In fact, for most consumers, this was an unlikely outcome.

77. Moreover, contrary to the impression created by the advertisement that the announcement was government sponsored and approved and the explicit representation that services offered were "provided free by the Litvin Law Firm," the advertisement was simply an effort to induce consumers to call the Litvin Law Firm and pay for its services.

**C. Respondent Gennady Litvin had Actual Knowledge of and Participated in His Firms' Fraudulent, Illegal and Deceptive Acts**

78. Gennady Litvin has detailed knowledge of, and actively runs, participates in and profits from the fraudulent and deceptive practices of Litvin and the Third Party Marketers.

79. From 2010 through 2012, Gennady Litvin personally signed contracts with the Third Party Marketers, on behalf of his firms and in his individual capacity, to become part of their network of attorneys.

80. Moreover, Gennady Litvin was personally and regularly involved in overseeing his firms' relationship with the Third Party Marketers, including visiting their corporate facilities in Fort Lauderdale every six to eight weeks.

81. Gennady Litvin also met with personnel and gave them updates on recent foreclosure case law. He forwarded certain problems brought to his attention by his paralegals to the Third Party Marketers.

82. Gennady Litvin also reviewed materials, including sales scripts and marketing materials, from the Third Party Marketers and gave the Third Party Marketers legal advice on occasion.

83. Gennady Litvin was personally and solely responsible for recruiting other contract attorneys. He placed listings and advertisements to find these attorneys and personally interviewed them.

84. Gennady Litvin also drafted and compiled the firm training manual.

85. Additionally, Gennady Litvin claimed that he was directly involved, worked on and reviewed certain client files.

86. Gennady Litvin was fully aware that consumers were being misled by the Third Party Marketers with respect to the services they would receive from the Litvin Law Firm, the experience of the firms' attorneys, the results they could expect from Respondents' services, and whether they should continue to pay their mortgages after enrolling with Respondents. Nevertheless, Gennady Litvin continued to do business with the Third Party Marketers.

87. Additionally, while Gennady Litvin knew that as many as half the homeowners referred to the Litvin Law Firm by the Third Party Marketers were not good candidates for Litvin's services, he continued to accept fees to represent these homeowners.

88. Gennady Litvin also knew that the Third Party Marketers failed to forward files to the Litvin Law Firm in a timely manner, thus putting clients in danger of having their property sold at a foreclosure sale.

89. Gennady Litvin was also aware that there were serious problems with the accuracy of the forensic audit reports routinely prepared by the Third Party Marketers for Litvin.

90. Furthermore, Gennady Litvin responds directly to consumer complaints forwarded to the firm by the New York Attorney General.

91. In several cases, Gennady Litvin attempts to dismiss those complaints by stating that the client paid a “highly discounted rate” or conclusorily asserting that “The firm is compliant with all local rules and regulations related to property law.”

**FIRST CAUSE OF ACTION  
PURSUANT TO EXECUTIVE LAW § 63(12) - -  
VIOLATION OF NY GENERAL BUSINESS LAW § 350  
FALSE ADVERTISING**

92. New York General Business Law (“GBL”), Article 22-A, § 350 declares unlawful any false advertising in the conduct of any business, trade or commerce or in the furnishing of any service in this State.

93. As set forth in paragraphs 1 through 91, Respondents have engaged in repeated and persistent false advertising in the marketing and sale of foreclosure defense services.

94. Consequently, Respondents have engaged in repeated and persistent illegality in violation of Executive Law § 63(12).

**SECOND CAUSE OF ACTION  
PURSUANT TO EXECUTIVE LAW § 63(12) - -  
VIOLATION OF NY GENERAL BUSINESS LAW § 349  
DECEPTIVE BUSINESS PRACTICES**

95. GBL Article 22-A, § 349 declares unlawful any deceptive acts or practices in the conduct of any business, trade or commerce in this state.

96. As set forth in paragraphs 1 through 91, Respondents have engaged in repeated and persistent deceptive acts and practices in the marketing and sale of foreclosure defense services in violation of GBL Article 22-A, § 349.

97. Consequently, Respondents have engaged in repeated and persistent illegality in violation of Executive Law § 63(12).

**THIRD CAUSE OF ACTION  
PURSUANT TO EXECUTIVE LAW § 63(12) - -  
FRAUD**

98. Executive Law § 63(12) defines “fraud” or “fraudulent” to include “any device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise or unconscionable contractual provisions.”

99. As set forth in paragraphs 1 through 91, Respondents have engaged in repeated fraudulent acts and practices in the marketing and sale of foreclosure defense services.

100. Consequently, Respondents have engaged in repeated and persistent fraud in violation of Executive Law § 63(12).

**FOURTH CAUSE OF ACTION  
PURSUANT TO EXECUTIVE LAW § 63(12) - -  
VIOLATION OF NY JUDICIARY LAW § 479  
SOLICITING BUSINESS ON BEHALF OF AN ATTORNEY**

101. New York Judiciary Law § 479 provides that “It shall be unlawful for any person or his agent, employee or any person acting on his behalf, to solicit or procure through solicitation either directly or indirectly legal business, or to solicit or procure through solicitation a retainer, written or oral, or any agreement authorizing an attorney to perform or render legal services, or to make it a business so to solicit or procure such business, retainers or agreements.”

102. As set forth in paragraphs 1 through 91, Respondents have procured through solicitation agreements authorizing them to perform or render legal services in violation of New York Judiciary Law § 479.

103. Consequently, Respondents have engaged in repeated and persistent illegality in violation of Executive Law § 63(12).

**FIFTH CAUSE OF ACTION  
PURSUANT TO EXECUTIVE LAW § 63(12) - -  
VIOLATION OF NY JUDICIARY LAW § 482  
EMPLOYMENT BY ATTORNEY OF PERSON TO AID, ASSIST OR ABET IN  
SOLICITATION OF BUSINESS**

104. New York Judiciary Law § 482 provides that “It shall be unlawful for an attorney to employ any person for the purpose of soliciting or aiding, assisting or abetting in the solicitation of legal business or the procurement through solicitation either directly or indirectly of a retainer, written or oral, or of any agreement authorizing the attorney to perform or render legal services.”

105. As set forth in paragraphs 1 through 91, Respondents have employed the Third Party Marketers to solicit legal business in violation of New York Judiciary Law § 482.

106. Consequently, Respondents have engaged in repeated and persistent illegality in violation of Executive Law § 63(12).

WHEREFORE, it is respectfully requested that the Court issue an order and judgment:

1. Permanently enjoining Respondents from violating Executive Law § 63(12), GBL §§ 349 and 350 and New York Judiciary Law §§ 479 and 482, and from engaging in the fraudulent, deceptive and illegal practices alleged herein;

2. Directing Respondents to make full monetary restitution and pay damages to all aggrieved consumers, known and unknown;

3. Directing Respondents to disgorge all sums received from their fraudulent and illegal conduct;

4. Directing Respondents to render an accounting to the Attorney General of the names and addresses of all consumers who paid a fee for their services, and the amounts paid by each;

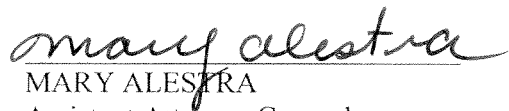
5. Directing Respondents to pay a civil penalty in the sum of \$5,000.00 to the State of New York for each violation of GBL Article 22-A, pursuant to GBL § 350-d;

6. Awarding Petitioner's costs plus an additional allowance of \$2,000.00 against each Respondent pursuant to CPLR § 8303(a)(6); and

7. Granting such other and further relief as this Court deems just and proper.

Dated: New York, New York  
September 30, 2014

ERIC T. SCHNEIDERMAN  
Attorney General of the  
State of New York

  
MARY ALESTRA

Assistant Attorney General  
Consumer Frauds and Protection Bureau  
120 Broadway, 3<sup>rd</sup> Floor  
New York, New York 10271  
Telephone: (212) 416-6698

VERIFICATION

STATE OF NEW YORK     )  
  ) ss.:  
COUNTY OF NEW YORK    )

MARY ALESTRA, being duly sworn, deposes and says:

I am an Assistant Attorney General in the office of Eric T. Schneiderman, Attorney General of the State of New York, and am duly authorized to make this verification.

I have read the foregoing petition and know the contents thereof, which is to my knowledge true, except as to matters stated to be alleged on information and belief, and as to those matters, I believe them to be true. The grounds for my beliefs as to all matters stated upon information and belief are investigatory materials contained in the files of the Bureau of Consumer Frauds and Protection in the New York State Office of the Attorney General.

The reason this verification is not made by petitioners is that petitioners are a body politic and the Attorney General is their duly authorized representative.

  
\_\_\_\_\_  
MARY ALESTRA

Sworn to before me this  
29<sup>th</sup> day of September, 2014.

  
\_\_\_\_\_  
NOTARY PUBLIC

**CAROLYN FAST**  
NOTARY PUBLIC-STATE OF NEW YORK  
No. 02FA6108759  
Qualified in Kings County  
My Commission Expires April 19, 2016 *2016*