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GERALD E. FUERST
CLERK OF COURTS
CUYAHOGA COUNTY

IN THE COURT OF COMMON PLEAS
CUYAHOGA COUNTY, OHIO

Judge: STUART A FRIEDMAN

STATE OF OHIO, ex rel.
ATTORNEY GENERAL
MICHAEL DEWINE
30 East Broad Street, Floor 14
Columbus, Ohio 43215

Plaintiff,

v.

DIVERSIFIED REAL ESTATE
CONSULTANTS, LLC
c/o Daniel J. DePasquale
8087 Orchard Way Street NW,
North Canton, OH 44720

and

DREAM MANAGEMENT USA, LLC
c/o Daniel J. DePasquale
8087 Orchard Way Street NW,
North Canton, OH 44720

and

PRECISION PROCESSING SOLUTIONS
INTERNATIONAL, LLC
c/o Daniel J. DePasquale
8087 Orchard Way Street NW,
North Canton, OH 44720

and

DANIEL J. DEPASQUALE
8087 Orchard Way Street NW,
North Canton, OH 44720

Defendants.

CV 11 759351

JUDGE

COMPLAINT FOR DECLARATORY
JUDGMENT, INJUNCTIVE RELIEF,
CONSUMER RESTITUTION, CIVIL PENALTIES,
AND OTHER APPROPRIATE RELIEF

JURISDICTION AND VENUE

1. Michael DeWine, Attorney General of Ohio, having reasonable cause to believe that violations of Ohio laws have occurred, brings this action in the public interest and on behalf of the State of Ohio under the authority vested in him through the Consumer Sales Practices Act, R.C. 1345.01 et seq. ("CSPA"), Debt Adjusters Act, R.C. 4710.01 et seq. ("DAA"), and Telephone Solicitation Sales Act, R.C. 4719.01 et seq. ("TSSA").
2. The acts and practices of Defendants which give rise to this action occurred in the State of Ohio, including in Cuyahoga County, and constitute violations of the CSPA, DAA, and TSSA.
3. This Court has subject matter jurisdiction over this action, pursuant to R.C. 1345.04.
4. This Court is the proper venue to hear this case, pursuant to Ohio Civ. R. 3(B), because some of Defendants' acts and practices, which give rise to this action, occurred in Cuyahoga County.

DEFENDANTS

5. Defendant Diversified Real Estate Consultants, LLC ("DREC") is a Florida limited liability company engaged in the business of providing mortgage assistance relief services in the State of Ohio.
6. Defendant DREAM Management USA LLC ("DREAM") is an Ohio limited liability company engaged in the business of providing "research and analysis" and related services to DREC, in direct connection with DREC's mortgage assistance relief services.
7. Defendant Precision Processing Solutions International LLC ("PPSI") is an Ohio limited liability company engaged in the business of providing "documentation processing" and

related services to DREC, in direct connection with DREC's mortgage assistance relief services.

8. Defendant Daniel J. DePasquale ("DePasquale"), an adult resident of North Canton, Ohio, is the owner and operator of DREC, DREAM, and PPSI, and, at all relevant times, directed, ratified, and personally participated in the acts and practices relating to the provision of mortgage assistance relief services to consumers.
9. Defendants DREC, DREAM, PPSI, and DePasquale (collectively "Defendants") are, jointly and individually, engaged in the business of providing mortgage assistance relief services to consumers and maintain a principal place of business in Akron, Ohio.
10. Defendants are "suppliers," as that term is defined in R.C. 1345.01(C), since Defendants are, and have been at all relevant times, engaged in the business of effecting consumer transactions by soliciting, offering, and selling mortgage assistance relief services in the State of Ohio for purposes that were primarily personal, family, or household, within the meaning of R.C. 1345.01(A) and (D).
11. Defendants are engaged in "debt adjusting," as that term is defined in R.C. 4710.01(B), since Defendants are, and have been at all relevant times, engaged in and hold themselves out as providing services to debtors in the management of debts by effecting the adjustment, compromise, or discharge of such debts.
12. Defendants are "telephone solicitors," as that term is defined in R.C. 4719.01(A)(8), since Defendants are, and have been at all relevant times, engaged in telephone solicitation, within the meaning of R.C. 4719.01(A)(7).

STATEMENT OF FACTS

13. Defendants are, and have been at all relevant times, engaged in the business of soliciting, offering, and selling mortgage assistance relief services to consumers residing in the State of Ohio, including in Cuyahoga County, and in other States.
14. Defendants solicited, offered, and sold their mortgage assistance relief services by telephone, direct mailing, and through the internet, using the following business websites:
 - A. www.diversifiedrec.com;
 - B. www.drecwholesale.com;
 - C. www.ohiohomesavers.com; and
 - D. www.publicmortgagereleif.org.
15. Defendants promised and represented to consumers, at the time of solicitation and offer, that Defendants will be able to obtain a loan modification or some other debt relief for consumers through the use of Defendants' services.
16. Defendants required consumers to enter into service agreements which state that there is no guarantee that a loan modification or some other debt relief will result from the use of Defendants' services.
17. Defendants promised and represented to consumers, after consumers had entered into the service agreements, that Defendants will be able to obtain a loan modification or some other debt relief for consumers through the use of Defendants' services.

18. Defendants promised and represented to consumers a "100% Money Back Guarantee," verbally and in writing, agreeing to provide full refunds of payments if Defendants were not able to obtain a loan modification or some other debt relief for consumers.
19. Defendants charged and accepted money from consumers as payment for Defendants' services, with payments ranging from \$500.00 to \$3,495.00.
20. Defendants charged and accepted initial consultation fees exceeding seventy-five dollars (\$75.00) from consumers residing in the State of Ohio.
21. Defendants charged and accepted consultation fees exceeding one hundred dollars (\$100.00) per calendar year from consumers residing in the State of Ohio.
22. Defendants accepted money from consumers as payment for services and failed to deliver the services and/or the results they promised and represented to consumers.
23. Defendants refused to provide consumers refunds of payment for services, even after Defendants have failed to deliver the services and/or the results they promised and represented to consumers.
24. Defendants misrepresented the uses, benefits, standard, or quality of their services by telling consumers that such services would result in the consumers' obtaining a loan modification or some other debt relief, when Defendants had no basis in fact for promising or representing such a result.
25. Defendants represented to consumers that they have provided services in accordance with a previous representation by telling consumers that Defendants have obtained a loan modification or some other debt relief through the use of Defendants' services,

when, in fact, such loan modification or debt relief resulted from the consumers' own efforts at negotiating directly with their lenders.

26. Defendants represented to consumers that DREC is a "National Neighborhood Housing Counseling Service," when, in fact, DREC has no approval from or affiliation with any such government housing agency or similar entity.
27. Defendants knowingly made misleading statements of opinion by telling consumers that Defendants are working with the consumers' lenders to obtain a loan modification or some other debt relief, inducing and causing consumers to make substantial payments for Defendants' services, when, in fact, Defendants had not made any meaningful contact with the lenders.
28. Defendants knowingly made misleading statements of opinion by telling a consumer that he has been "preapproved" for a loan modification, inducing and causing the consumer to make a substantial payment for Defendants' services, when, in fact, the consumer did not even qualify for any loan modification.
29. Defendants knowingly made misleading statements of opinion by telling consumers that lenders are more willing to provide consumers a loan modification or some other debt relief if consumers default on their residential mortgages.
30. Defendants recommended and encouraged consumers to default on their residential mortgages by instructing consumers, expressly and impliedly, to stop making their monthly or periodic payments to lenders and to cease communications with lenders.
31. Defendants have failed to register with the Ohio Attorney General's Office prior to acting as telephone solicitors in the State of Ohio.

32. Defendants have failed to obtain a surety bond from a state-certified surety company prior to acting as telephone solicitors in the State of Ohio.
33. Defendants conducted business in the State of Ohio using "Diversified Real Estate Consultants, LLC" and "DREC" as fictitious business names but failed to register or report such names to the Ohio Secretary of State's Office.

PLAINTIFF'S FIRST CAUSE OF ACTION

VIOLATIONS OF THE CONSUMER SALES PRACTICES ACT

COUNT I

FAILING TO DELIVER SERVICES

34. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Thirty-Three (1-33) of this Complaint.
35. Defendants have committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), and the Failure to Deliver Rule, Ohio Admn. Code 109:4-3-09(A)(2), by accepting payments from consumers for the purchase of mortgage assistance relief services, and then permitting eight weeks to elapse without making full delivery of the services ordered; making full refunds of the consumers' payments; advising consumers of the duration of an extended delay and offering to send consumers full refunds within two weeks, if consumers so requested; or furnishing similar services of equal or greater value as a good faith substitute, if consumers agreed.
36. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT II

MISREPRESENTING USES, BENEFITS, STANDARD, OR QUALITY OF SERVICES

37. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Thirty-Six (1-36) of this Complaint.
38. Defendants have committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.02(B)(1)-(2), by misrepresenting the uses, benefits, standard, or quality of their services.
39. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT III

MISREPRESENTING DELIVERY OF SERVICES

40. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Thirty-Nine (1-39) of this Complaint.
41. Defendants have committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.02(B)(5), by representing that services have been supplied to consumers in accordance with a previous representation, when they have not.
42. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT IV

MISREPRESENTING APPROVAL OR AFFILIATION OF SUPPLIERS

43. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Forty-Two (1-42) of this Complaint.
44. Defendants have committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.02(B)(9), by representing that they have an approval or affiliation that they do not have.
45. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT V

ENTERING INTO TRANSACTIONS WITHOUT SUBSTANTIAL BENEFIT TO CONSUMERS

46. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Forty-Five (1-45) of this Complaint.
47. Defendants have committed unconscionable acts or practices in violation of the CSPA, R.C. 1345.03(A), as set forth in R.C. 1345.03(B)(3), by entering into consumer transactions with knowledge of consumers' inability to receive a substantial benefit from their services.
48. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT VI

MAKING FALSE OR MISLEADING STATEMENTS ABOUT SERVICES

49. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Forty-Eight (1-48) of this Complaint.
50. Defendants have committed unconscionable acts or practices in violation of the CSPA, R.C. 1345.03(A), as set forth in R.C. 1345.03(B)(6), by knowingly making false or misleading statements of opinion on which consumers have relied or were likely to rely to their detriment.
51. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT VII

RECOMMENDING AND ENCOURAGING DEFAULT ON RESIDENTIAL MORTGAGE

52. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Fifty-One (1-51) of this Complaint.
53. Defendants have committed unconscionable acts or practices in violation of the CSPA, R.C. 1345.031(A) and R.C. 1345.031(B)(6), by recommending and encouraging consumers to default on their residential mortgages.
54. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT VIII

FAILING TO REGISTER OR REPORT FICTITIOUS BUSINESS NAMES

55. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Fifty-Four (1-54) of this Complaint.
56. Defendants have committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by failing to register or report their use of fictitious business names to the Ohio Secretary of State, as required under R.C. 1329.01.
57. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

PLAINTIFF'S SECOND CAUSE OF ACTION

VIOLATIONS OF THE DEBT ADJUSTERS ACT

COUNT I

CHARGING AND ACCEPTING MORE THAN SEVENTY-FIVE DOLLARS

FOR INITIAL CONSULTATION

58. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Fifty-Seven (1-57) of this Complaint.
59. Defendants have violated the DAA, R.C. 4710.02(F)(1), by failing to comply with R.C. 4710.02(A)(3) and R.C. 4710.02(B)(1), by charging and accepting fees exceeding seventy-five dollars from debtors residing in the State of Ohio for an initial consultation.
60. Such acts or practices also constitute unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.01 et seq., pursuant to R.C. 4710.04(A).

61. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT II

CHARGING AND ACCEPTING MORE THAN ONE HUNDRED DOLLARS

PER CALENDAR YEAR FOR CONSULTATION

62. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Sixty-One (1-61) of this Complaint.
63. Defendants have violated the DAA, R.C. 4710.02(F)(1), by failing to comply with R.C. 4710.02(A)(3) and R.C. 4710.02(B)(2), by charging and accepting fees exceeding one hundred dollars per calendar year from debtors residing in the State of Ohio for consultation.
64. Such acts or practices also constitute unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.01 et seq., pursuant to R.C. 4710.04(A).
65. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

PLAINTIFF'S THIRD CASUE OF ACTION

VIOLATIONS OF THE TELEPHONE SOLICITATION SALES ACT

COUNT I

FAILING TO REGISTER AS TELEPHONE SOLICITORS

66. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set

forth in paragraphs One through Sixty-Five (1-65) of this Complaint.

67. Defendants have violated the TSSA, R.C. 4719.02(A), by acting as telephone solicitors in the State of Ohio without first having obtained a certificate of registration or registration renewal from the Ohio Attorney General's Office.
68. Such act or practice also constitutes an unfair or deceptive act or practice in violation of the CSPA, R.C. 1345.01 et seq., pursuant to R.C. 4719.14.
69. Such act or practice has been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed this violation after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT II

FAILING TO OBTAIN SURETY BOND FOR TELEPHONE SOLICITORS

70. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Sixty-Nine (1-69) of this Complaint.
71. Defendants have violated the TSSA, R.C. 4719.04(A), by acting as telephone solicitors in the State of Ohio without first having obtained a surety bond issued by a state-certified surety company and satisfying all other requirements relating to such surety bond.

COUNT III

MAKING MISREPRESENTATIONS WHILE TELEPHONE SOLICITING

72. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Seventy-One (1-71) of this Complaint.
73. Defendants have violated the TSSA, R.C. 4719.08(F), by misrepresenting all of the following:

- A. Material aspects of the performance, efficacy, nature, or characteristics of their services;
 - B. Material aspects of the nature or terms of their refund policy; and
 - C. Their affiliation with, or endorsement by, any government or third-party organization.
74. Such acts or practices also constitute unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.01 et seq., pursuant to R.C. 4719.14.
75. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT IV

MAKING FALSE OR MISLEADING STATEMENTS TO INDUCE PAYMENT

76. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Seventy-Five (1-75) of this Complaint.
77. Defendants have violated the TSSA, R.C. 4719.08(G), by making false or misleading statements to induce consumers to make payments for Defendants' services.
78. Such acts or practices also constitute unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.01 et seq., pursuant to R.C. 4719.14.
79. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendants committed these violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that this Court:

1. ISSUE A DECLARATORY JUDGMENT declaring that each act or practice described in this Complaint violates the CSPA, DAA, and TSSA, in the manner set forth above.
2. ORDER Defendants DREC, DREAM, PPSI, and DePasquale, jointly and individually, liable for reimbursement to all consumers found to have been damaged by Defendants' unfair, deceptive, and unconscionable acts and practices, including, but not limited to, making full restitution to consumers who paid Defendants but never received the services and/or the results promised and represented by Defendants.
3. ISSUE PERMANENT INJUNCTIVE RELIEF to enjoin Defendants DREC, DREAM, PPSI, and DePasquale, their agents, servants, representatives, salespeople, employees, successors and assigns, and all persons acting in concert or participating with them, directly or indirectly, from engaging in the acts or practices described in this Complaint and from further violating the CSPA, DAA, and TSSA.
4. ISSUE PERMANENT INJUNCTIVE RELIEF to enjoin Defendants DREC, DREAM, PPSI, and DePasquale from continuing to solicit consumer transactions until all unpaid judgments against Defendants, whether granted by this Court or any other court, are paid in full.
5. ASSESS, FINE, AND IMPOSE upon Defendants DREC, DREAM, PPSI, and DePasquale, jointly and individually, a civil penalty of at least Twenty-Five Thousand Dollars (\$25,000.00) for each violation of the CSPA as set forth in this Complaint, pursuant to R.C. 1345.07(D).

6. ASSESS, FINE, AND IMPOSE upon Defendants DREC, DREAM, PPSI, and DePasquale, jointly and individually, a civil penalty of not less than One Thousand Dollars (\$1,000.00) nor more than Twenty-Five Thousand Dollars (\$25,000.00) for each violation of the TSSA as set forth in this Complaint, pursuant to R.C. 4719.12(B).
7. ORDER, as a means of insuring compliance with this Court's Order and with the laws of the State of Ohio, Defendants DREC, DREAM, PPSI, and DePasquale (A) to maintain in their possession and control, for a period of five (5) years, all business records relating to Defendants' solicitation, offer, and sale of mortgage assistance relief services in the State of Ohio; and (B) to permit the Ohio Attorney General or his representative, upon a reasonable twenty-four (24) hour advance notice, to inspect and/or copy any and all such records.
8. GRANT the Ohio Attorney General all costs incurred in this action, including all investigative expenses and reasonable attorney's fees, pursuant to R.C. 4719.12(A).
9. ORDER Defendants to pay all court costs.
10. GRANT such other relief as the Court deems to be appropriate, just, and equitable.

Respectfully submitted,

MICHAEL DEWINE
Ohio Attorney General

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