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Case #1-11-CV-202525 Filing #G-52683

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ANTONIO AND INES OCEGUEDA, JORGE OREJEL AND
10 GRICELDA GARCIA AND JUDY JONES,
and all others similarly situated

11 *Additional counsel on Page 2*

12
13 SUPERIOR COURT OF THE STATE OF CALIFORNIA

14 COUNTY OF SANTA CLARA

15 ANTONIO OCEGUEDA, an individual,
INES OCEGUEDA, an individual, JORGE
16 OREJEL, an individual, GRICELDA
GARCIA, an individual, and JUDY JONES,
17 an individual, on behalf of themselves and all
others similarly situated,

18 Plaintiffs,

19 v.

20
21 KEN NATHANSON, an individual,
NATHANSON LAW CENTER, a California
Professional Corporation, SHERMAN &
22 NATHANSON, P.C., a California
Professional Corporation, ADEEL AMIN, an
23 individual, AMERICAN BROTHER
CORPORATION, a California Corporation
24 d/b/a REWIREMYLOAN.COM, GALLANT
GROUP LTD., a California Corporation d/b/a
25 REWIREMYLOAN.COM, ERIC DEBLASI,
an individual, TROY HOLLAND, an
26 individual, TMG FINANCIAL SERVICES,
INC., a California Corporation, and DOES 4
27 THROUGH 100, inclusive,

28 Defendants.

CASE NO. 1-11-CV-202525

**FIRST AMENDED CLASS ACTION
COMPLAINT FOR:**

- (1) Breach of Contract
(2) Unfair Competition (Bus. & Prof.
Code, § 17200)
(3) Fraud (Civ. Code, §§ 1709, 1710)

DEMAND FOR JURY TRIAL

PUBLIC REDACTED VERSION

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1 Plaintiffs Antonio Ocegueda, Ines Ocegueda, Jorge Orejel, Gricelda Garcia, and Judy
2 Jones (“Plaintiffs”), on behalf of themselves and a class of all other persons similarly situated,
3 allege as follows:

4 **I.**

5 **INTRODUCTION**

6 1. This is an action that was originally brought by a class of desperate homeowners
7 against attorney Ken Nathanson and a statewide network of individuals and entities that allegedly
8 induced the Plaintiffs to pay thousands of dollars in up-front fees for mortgage loan modification
9 and related legal services that were allegedly never provided.

10 2. The Plaintiffs and Ken Nathanson, the Nathanson Law Center and Sherman &
11 Nathanson have reached a settlement.

12 3. This statewide network took advantage of homeowners fearful of losing their
13 homes to foreclosure and included RewireMyLoan.com, a sham front for Defendants Adeel Amin
14 and his business partner Eric DeBlasi. RewireMyLoan.com promised to assist with loan
15 modification services, collecting loan documentation from victims, and directing the victims to
16 Nathanson—while taking a healthy cut off the top of the homeowners’ upfront fees.
17 RewireMyLoan.com also guaranteed to refund the homeowners’ payments should Nathanson fail
18 to acquire loan modifications for the homeowners. RewireMyLoan.com failed to deliver on its
19 promises; the loan modification services provided, if any, were, with respect to the Plaintiff Class,
20 woefully inadequate. No refunds have been made.

21 4. RewireMyLoan.com used local real estate agents and brokers who were trusted in
22 their communities to obtain leads on potential scam victims. These agents would refer loan
23 modification “business” to RewireMyLoan.com. To market the scheme, they also relied on an
24 entity called “TMG Financial Services, Inc.” that was operated by Troy Holland,
25 RewireMyLoan.com’s [REDACTED].

26 5. This scam was heavily marketed. Defendants RewireMyLoan.com, Adeel Amin,
27 Eric DeBlasi, Troy Holland and TMG Financial Services sold Nathanson’s services by focusing
28 on his years of experience as an attorney with a commercial litigation and real estate background,

1 buying the victims' trust and leading them to believe that retaining him would guarantee success
2 in loan modification negotiation or litigation against their lenders. RewireMyLoan.com
3 trumpeted its association with Nathanson on its website, advertising his firm as "one firm that
4 rises above the rest." One of the referring agents was Robert Aldana, a Spanish-language radio
5 personality and licensed real estate agent based in San Jose who solicited homeowners on his
6 radio show and began the negotiations that led victims to RewireMyLoan.com. The other
7 referring agent, Dyniece Abril, was based in San Francisco but did business all over the Bay
8 Area, specialized in serving police officers, firefighters and other working-class individuals, and
9 likewise served as a conduit for these and other victims to enter the RewireMyLoan.com scam
10 web.

11 6. These promotional activities, taken together with RewireMyLoan.com's promise
12 of a guaranteed money-back refund, were intended to induce victims to enter into an agreement
13 with Nathanson and to quickly furnish the scammers with up-front payments.

14 7. Given the inevitable differences in their individual circumstances, not all
15 homeowners were eligible for loan modifications. Nevertheless, Defendants
16 RewireMyLoan.com, Adeel Amin, Eric DeBlasi, Troy Holland and TMG Financial Services, Inc.
17 promoted Nathanson's "services" on a one-size-fits-all basis, with no regard for each family's
18 particular financial circumstances.

19 8. Moreover, Defendants RewireMyLoan.com, Adeel Amin, Eric DeBlasi, Troy
20 Holland and TMG Financial Services, Inc., through their network of agents, promoted and
21 negotiated the contracts with many of the victims in Spanish, but provided only English-language
22 written contracts for them to review and keep. Because this sub-class of victims could not read
23 the English-language contracts that Defendants provided to them, they relied solely on the verbal
24 representations made to them, which were that they would obtain a loan modification or their
25 money back. These oral representations were contrary to the terms of the English language
26 contracts in certain instances.

27 9. Ultimately, after extracting thousands of dollars from victims already at the brink
28 of financial ruin, Defendants RewireMyLoan.com, Adeel Amin, Eric DeBlasi, Troy Holland and

1 TMG Financial Services, Inc. did not provide the legal services for which the homeowners had
2 paid, nor did they return the homeowners' payments as promised.

3 10. Rewire's own documents show that Rewire, acting through its principals, never
4 intended to honor the money-back guaranty it offered to induce victims to sign on the dotted line.

5 Rewire never [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED].

9 11. Much ink has been spilled in recent years regarding the housing crisis in this
10 country. The crisis caused many homeowners to become trapped in high-cost home loans for
11 property that plummeted in value and therefore became difficult, if not impossible, to sell. These
12 unaffordable mortgages, coupled with high unemployment and underemployment that resulted
13 from the declining economy, left many homeowners facing late payments, default or even
14 foreclosure on their home mortgages.

15 12. Sadly, these factors have sown a fertile breeding ground for unprincipled
16 individuals—such as the Defendants Adeel Amin, Eric DeBlasi and Troy Holland —looking to
17 prey on distressed homeowners desperately seeking to save their homes and obtain some relief
18 from unaffordable home loans.

19 13. Plaintiffs, on behalf of a class of similarly situated persons, seek to recover
20 monetary and other relief for past wrongs committed by the Defendants RewireMyLoan.com,
21 Adeel Amin, Eric DeBlasi, Troy Holland and TMG Financial Services, Inc. against the victimized
22 homeowners.

23 **II.**

24 **JURISDICTION AND VENUE**

25 14. The Superior Court for the County of Santa Clara has jurisdiction over this action
26 due to Defendants' violations of California laws, including breach of California contracts and
27 violations of California statutory provisions including Business & Professions Code, section
28 17200, and fraud under California law.

1 23. Defendant KEN NATHANSON (“Nathanson”) is an individual who was, at all
2 relevant times, an attorney licensed to practice by the State Bar of California. His license is
3 currently suspended. Plaintiffs have settled their claims against Nathanson and will shortly move
4 this Court to approve that settlement.

5 24. Defendant SHERMAN & NATHANSON, P.C. (“Sherman & Nathanson”) is a
6 professional law corporation which existed under the laws of the State of California. Sherman &
7 Nathanson had its principal place of business at 9454 Wilshire Boulevard, Suite 900 in Beverly
8 Hills, California. It is now defunct. Plaintiffs have settled their claims against Sherman &
9 Nathanson and will shortly move this Court to approve that settlement.

10 25. Defendant NATHANSON LAW CENTER (“Nathanson Law Center”) is a
11 successor-in-interest to defendant Sherman & Nathanson and maintains its principal place of
12 business at 9454 Wilshire Boulevard, Suite 900 in Beverly Hills, California. Plaintiffs have
13 settled their claims against Nathanson Law Center and will shortly move this Court to approve
14 that settlement.

15 26. Defendant AMERICAN BROTHER CORPORATION, INC. (“American Brother
16 Corporation”) is a corporation that does business in California and is incorporated in Colorado.
17 At all relevant times, American Brother Corporation held itself out to be a California corporation,
18 maintaining a principal place of business at 9701 Wilshire Boulevard, Suite 1026, Beverly Hills,
19 California. Defendant American Brother Corporation does business under the fictitious business
20 name of RewireMyLoan.com. Through the use of local agents to solicit and obtain clients for its
21 services, Defendant American Brother Corporation conducted business activities within Santa
22 Clara County during the time period relevant for this complaint.

23 27. Defendant THE GALLANT GROUP LTD (“Gallant Group”) is a California
24 corporation, presently suspended, maintaining a principal place of business at 419 15th Street,
25 Paso Robles, California, 93446. Like Defendant American Brother Corporation, Gallant Group
26 also did business under the fictitious business name of RewireMyLoan.com. Through the use of
27 local agents to solicit and obtain clients for its services, Defendant Gallant Group conducted
28 business activities within Santa Clara County during the time period relevant for this complaint.

1 Gallant Group, American Brother Corporation and RewireMyLoan.com shall be collectively
2 referred to as the “RewireMyLoan Entities.”

3 28. Defendant ADEEL AMIN (“Amin”) is an individual who, at all relevant times,
4 was the owner and CEO of Defendant American Brother Corporation d/b/a RewireMyLoan.com
5 and Defendant Gallant Group d/b/a RewireMyLoan. com. Through the use of local agents to
6 solicit and obtain clients for the RewireMyLoan Entities’ services, Defendant Amin conducted
7 business activities within Santa Clara County during the time period relevant for this complaint.

8 29. Defendant ERIC DEBLASI (“DeBlasi”) is an individual who, upon information
9 and belief, invested in the RewireMyLoan Entities and acted in concert with and/or as an agent of
10 Defendant Amin as a decision-maker with respect to the RewireMyLoan Entities’ activities as
11 alleged herein. Upon information and belief, DeBlasi conducted business activities within Santa
12 Clara County during the time period relevant for this complaint. Plaintiffs hereby substitute
13 DeBlasi for previously named fictitious defendant DOE 1.

14 30. Defendant TMG FINANCIAL SERVICES, INC. (“TMG”) is, upon information
15 and belief, a California corporation maintaining a principal place of business at 1125 Arnold
16 Drive, Suite B, Martinez, California CA 94553. Plaintiffs are informed and believe, and thereon
17 allege, that Defendant TMG worked in concert with and/or as an agent of Defendant American
18 Brother Corporation in soliciting and obtaining clients for Defendant American Brother
19 Corporation during the time period relevant for this complaint. Accordingly, upon information
20 and belief, TMG conducted business activities within Santa Clara County during the relevant time
21 period. Plaintiffs hereby substitute TMG for previously named fictitious defendant DOE 2.

22 31. Defendant TROY HOLLAND (“Holland”) is an individual who, at all relevant
23 times, was the owner of TMG and directed the work of TMG in working in concert with and/or as
24 an agent of American Brother Corporation and/or Gallant Group. Additionally, upon information
25 and belief, Holland acted as a decision-maker working in concert with at least Amin and/or
26 Deblasi to direct the activities of the RewireMyLoan Entities as its “Director of National
27 Training.” Accordingly, upon information and belief, Holland conducted business activities
28

1 within Santa Clara County during the relevant time period. Plaintiffs hereby substitute Holland
2 for previously named fictitious defendant DOE 3.

3 32. The true names and capacities of the Defendants identified only as DOES 4
4 through 100 (“Doe Defendants” or “Doe Defendant”) are unknown to Plaintiffs at this time.
5 Plaintiffs will amend this Complaint to insert the true names and capacities of the Doe Defendants
6 when such are finally ascertained. Plaintiffs are informed and believe, and thereon allege, that
7 each of the fictitiously named Doe Defendants is liable to Plaintiffs and the Class for the acts,
8 events and occurrences alleged herein as a result of said Doe Defendants’ relationship to the
9 named Defendants or participants in said acts, events and occurrences, or approval or ratification
10 thereof. In particular, some of the Doe Defendants are real estate agents, brokers and staff
11 members who worked for the named Defendants, or conspired with, aided and abetted or
12 otherwise assisted or knowingly permitted the named Defendants to carry out their schemes and
13 the unlawful conduct alleged herein. Other Doe Defendants are persons or entities to whom the
14 illicit profits and fruits of the named Defendants’ schemes and unlawful acts were transferred, or
15 who assisted, aided and/or abetted the transfers, or the property resulting from such transfers.

16 33. Plaintiffs are informed and believe, and thereon allege, that each of the Defendants
17 was at all times the agent, employee, servant, or representative of each other Defendants, and was
18 acting, at least in part, within the course, scope and authority of said relationship, or participated
19 in some manner in the other Defendants’ wrongful acts, conspired with the other Defendants to
20 engage in such acts or aided and abetted the named Defendants to commit such acts, or was
21 otherwise the recipient of the other Defendants’ ill-gotten gains. Each Defendant ratified the
22 conduct of the other named Defendants.

23 **COMMON ALLEGATIONS**

24 34. Nathanson, an attorney licensed, but currently suspended, by the State Bar of
25 California for over thirty years, and his now-defunct law firm Sherman & Nathanson, renamed
26 the Nathanson Law Center, received referrals from the Rewire Defendants to perform loan
27 modifications.. Nathanson, Sherman & Nathanson, and the Nathanson Law Center shall be
28 referred to together as the “Nathanson Defendants.”

1 35. The Nathanson Defendants received referrals from Defendant Amin; his
2 companies, American Brother Corporation and Gallant Group, that each did business as
3 RewireMyLoan.com; and those who acted in concert with or as agents of them, to allegedly
4 provide loan modification and/or litigation services for their victims. Amin and the
5 RewireMyLoan Entities, as well as Amin’s business partners and/or agents DeBlasi and Holland,
6 and Holland’s company, TMG, shall be referred to together as the “Rewire Defendants.”

7 36. Indeed, the Rewire Defendants trumpeted their close relationship with the
8 Nathanson Defendants. For example, the Rewire Entities’ website www.RewireMyLoan.com
9 stated that “Ken Nathanson is RewireMyLoan.com’s Partner Counsel with offices in Beverly
10 Hills, California,” and further stated that “we’ve found Sherman & Nathanson
11 (www.snmlaw.com) to continuously amaze us at [sic] the capability of their staff. The main
12 partner associated with modifications, [sic] is Ken Nathanson.”

13 37. The Rewire Defendants used a number of real estate brokers and others who had
14 close relationships with their local communities to secure victims for their scam. These brokers
15 recruited and identified the victim homeowners who are the Plaintiffs and Class Members in this
16 lawsuit, and solicited their interest in purported loan modification services offered by the Rewire
17 Defendants, including potential litigation services.

18 38. Some of the victims were solicited via a Spanish language radio show, in response
19 to which Spanish-speaking consumers called Mr. Aldana to obtain loan modification services.
20 These meetings were conducted in Spanish and, during these meetings, Mr. Aldana’s staff
21 collected the homeowners’ personal and financial information and informed consumers that they
22 would get a loan modification through Nathanson or their money back. Subsequently, Mr.
23 Aldana’s staff presented the Spanish-speaking homeowners with English-language contracts with
24 the Rewire Defendants and told them to sign these contracts.

25 39. Plaintiffs are informed and believe, and thereon allege, that the Rewire Defendants
26 authorized Mr. Aldana to present these contracts to consumers and paid referral fees to Mr.
27 Aldana, which were intended to increase the number of victims funneled to the Nathanson
28

1 Defendants and the Rewire Defendants so that they could maximize the number of up-front fees
2 that they could extract from the victim class.

3 40. Plaintiffs are informed and believe, and thereon allege, that the referral network
4 included numerous other agents throughout California who solicited consumers in a similar
5 manner, referred them to the Rewire Defendants and the Nathanson Defendants, and received
6 referral fees in exchange.

7 41. To promote Nathanson's loan modification services, the brokers and agents in the
8 referral network impressed upon the victims Nathanson's status as a member of the State Bar of
9 California, and stated that the loan modification services that Nathanson would provide could
10 include litigation against the bank holding the victim's mortgage, making them superior to
11 standard loan modification services. In addition, the referral network also made representations
12 about the results that Nathanson could achieve. These results included interest rate and principal
13 balance reductions. These promises were backed by a contractual money-back guaranty provided
14 by the Rewire Defendants.

15 42. The Rewire Defendants themselves made similar representations to the public.
16 For example, on August 23, 2009, www.RewireMyLoan.com stated:

17 *"We are not a loan modification company. We do not beg and plead for*
18 *the lender to change your home loan and hope they oblige and we*
19 *encourage that you don't either. This approach doesn't work. Instead we*
20 *partner you with top real estate attorneys with successful track records*
21 *and lengthy resumes. We monitor their progress, keep tabs on their*
22 *customer service and ensure that they're getting the most aggressive*
deals. We let THEM audit your loan to find out how it may be 100%
unenforceable. That means the lender can't collect payments, can't
accept your payments, and not even foreclose on the home! Now that's a
service I'd pay for ...but you don't have to. We'll do it for free!"
[formatting and emphases in original]

23 43. The August 23, 2009, statement on www.RewireMyLoan.com in the previous
24 paragraph was attributed to Defendant Amin.

25 44. Following their deceptive statements and improper referrals, one or more of the
26 named Rewire Defendants—or individuals authorized to act on their behalf, such as the network
27 of agents and their staffs—presented form contracts for the victims to sign. One such contract
28 was the "Attorney-Client Fee Agreement" entered into between the Nathanson Defendants and

1 the victims. This form agreement stated that the Nathanson Defendants, and specifically
2 Nathanson, were being engaged by each victim “to review all documents you provide, contact
3 and negotiate with your lender (either through this office or through our outside consultant firm),
4 and to provide you with options on modifying your current loan.”

5 45. The Attorney-Client Fee Agreement further provided that the Nathanson
6 Defendants “will advise you as to the legal consequences and effect of all modification
7 documents that are generated by your lender before you sign them. I will use my skill as an
8 attorney to determine the benefits of the loan modifications offered by the lender, and do my
9 utmost to obtain the best possible rate and term reduction for you.”

10 46. The Attorney-Client Fee Agreement included several statements indicating the
11 Nathanson Defendants’ intention to work together with the Rewire Defendants in performing
12 these services. The Agreement provided that Nathanson would consult with “loan and financial
13 consultants, such as those associated with REWIREMYLOAN . . . to assist me in working on
14 your file and negotiating with your lender.” The Agreement stated that these services would not
15 result in an additional fee and Rewire would be covered by the attorney-client privilege. The
16 Agreement also stated that Nathanson planned to work with Rewire to “present your facts to your
17 lender in the most favorable light to obtain the debt relief that you request” and that the
18 homeowner should expect a call from Rewire, “as they will to [sic] working closely with you and
19 me to streamline the process.”

20 47. The Attorney-Client Fee Agreement also included provisions for the victims to
21 make an up-front payment in exchange for a “loan modification package” provided by the
22 Nathanson Defendants together with the Rewire Defendants. The Attorney-Client Fee
23 Agreements called for victims to pay upfront fees to Defendant Nathanson based on how many
24 loans and different lenders they had. These upfront fees ranged from \$2,975.00 to \$4,995.00 per
25 property. Plaintiffs are informed and believe, and thereon allege, that certain class members paid
26 amounts in excess of this range of upfront fees for the loan modification services that were to be
27 provided by the Nathanson Defendants and the Rewire Defendants.
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1 48. All of the victims also received a “Corporate Guaranty” from the Rewire
2 Defendants that provided that Rewire would serve as Guarantor on behalf of the Nathanson
3 Defendants. There were two versions of this Corporate Guaranty.

4 49. One version of the Corporate Guaranty, according to its terms, the Corporate
5 Guaranty was provided as a “material inducement” to the victims “to enter into an Attorney-
6 Client Agreement with Sherman & Nathanson” and the Corporate Guaranty “absolutely,
7 presently, continually, unconditionally, and irrevocably guarantees the refund to Guaranteed
8 Party of the entire amount charged Guaranteed Party by Sherman & Nathanson, a Professional
9 corporation (S&N) in the event S&N fails to provide the services that S&N promises to perform
10 pursuant to said Attorney-Client Agreement.”

11 50. The other version of the Corporate Guaranty given to some Plaintiffs (including
12 proposed class representative Ms. Jones) stated that the refund would be provided if Nathanson’s
13 services “do not result in an offer of more favorable loan terms (as defined in the Fee Agreement)
14 from Guaranteed Party’s home lender.”

15 51. The form contracts presented by the Defendants contained numerous legal
16 provisions. However, Plaintiffs are informed and believe, and thereon allege, that the contracts
17 were offered on a “take it or leave it” basis with limited opportunity for the victims to review and
18 sign the forms and no opportunity to change them.

19 52. Furthermore, Plaintiffs are informed and believe, and thereon allege, that no
20 reasonable pre-qualification or other assessment of the victim’s individual circumstances was
21 made prior to executing these contracts to determine whether loan modification was a feasible
22 alternative. Plaintiffs are informed and believe, and thereon allege, that such an assessment could
23 have spared many victims the significant up-front out-of-pocket payment and time wasted with
24 the Rewire Defendants.

25 53. In fact, Plaintiffs are informed and believe, and thereon allege, that the Rewire
26 Defendants were aware of the need to perform the reasonable pre-qualification, but elected not to
27 do so because it would slow their solicitation of new victims as well as limit the pool of victims
28 for their fraudulent loan modification scheme.

1 54. Plaintiffs are informed and believe, and thereon allege, that the victims’ payments
2 for the purported loan modification and/or litigation services were each handled similarly or
3 identically by the Defendants in a systematic fashion. Victims made their payments directly to
4 Defendant Nathanson. Plaintiffs are informed and believe, and thereon allege, that Defendant
5 Nathanson, in turn, paid the Rewire Defendants and provided referral fees to brokers and/or other
6 agents in the referral network.

7 55. A subclass of the victims negotiated their agreements with Defendants through Mr.
8 Aldana, described above. Mr. Aldana and his staff conducted those negotiations orally in Spanish
9 in late May and June 2009 after the Rewire Defendants and the Nathanson Defendants had
10 delegated responsibility for signing people up for their services to Mr. Aldana. However, the
11 members of this subclass were not provided with Spanish-language written contracts. This failure
12 to provide a complete translation of the form agreements placed these victims at a further
13 disadvantage vis-à-vis the Defendants, given the relative complexity of the contracts and
14 Defendants’ sophistication. Because these victims—who negotiated their contracts orally in
15 Spanish and did not receive Spanish-language translations of their contract documents—relied
16 upon the oral representations of a guaranteed loan modification, they believed that they would
17 receive a loan modification or their money back.

18 56. Plaintiffs are informed and believe, and thereon allege, that, after receiving the up-
19 front payments of thousands of dollars from desperate homeowners who could ill afford such
20 sums, the Rewire Defendants did not substantially perform the promised services. Instead, they
21 did little, if anything, for each victim and did not communicate with the victims regarding the
22 status of their mortgage modifications.

23 57. Ultimately, as a result of the activities of the Rewire Defendants, the victims
24 received little or none of the results “guaranteed.” Further, Plaintiffs are informed and believe,
25 and thereon allege, that few, if any, of the victims received the purported “litigation services” that
26 the Rewire Defendants promised would be provided.

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1 58. In the aggregate, despite paying thousands of dollars each that they could ill
2 afford, few, if any, of the victims received any promised loan modification at all, let alone the
3 significant reductions in interest rates and/or principal amounts “guaranteed” by the Defendants.

4 59. Moreover, though the Defendants induced the victims to make their up-front
5 payments based on a money-back guaranty, and despite the fact that the form contracts the
6 victims signed provided for the Rewire Defendants to provide refunds to the victims should the
7 Nathanson Defendants fail to perform the services promised, upon information and belief, the
8 Rewire Defendants did not provide the guaranteed refunds to the victims, despite receiving
9 requests to do so by victims.

10 60. On information and belief, in many cases, entering into the agreements with the
11 Rewire Defendants actually caused the victims’ situations to worsen beyond the loss of their out-
12 of-pocket up-front payment, as they relied upon representations and instructions by and from the
13 Rewire Defendants that they should not continue to pay their mortgages or contact their banks
14 while their loans were supposedly being modified. Thus, many of these victims became
15 delinquent or fell further behind on their mortgage payments, and missed opportunities to receive
16 loan modifications directly from their banks.

17 61. In addition, upon information and belief, when the Rewire Defendants became
18 aware of multiple refund demands, they expressed a desire to avoid paying any refunds, by,
19 among other tactics, seeking to renegotiate their Corporate Guaranty with the victims - taking the
20 position [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED] As Amin expressed in an email: [REDACTED]

25 [REDACTED]

26 [REDACTED]

27 62. Upon information and belief, each of the Rewire Defendants conspired and acted
28 in concert and/or as agents with the others to develop the plan to offer money-back guarantees as

1 a material inducement for victims to enter into the agreements, with no intention of actually
2 honoring any Guaranty.

3 63. Upon information and belief, Rewire was not adequately capitalized to operate its
4 business and was dominated by Amin, DeBlasi and Holland, who did not intend for
5 Rewiremyloan.com to honor its guarantees in good faith. Accordingly, Rewire was an alter-ego
6 of at least Amin, DeBlasi and Holland.

7 64. Plaintiffs are informed and believe, and thereon allege, that at least 250 distressed
8 homeowners have been victimized by the Rewire Defendants to date.

9 **Plaintiffs Mr. Antonio and Mrs. Ines Ocegueda (Main Class, 1632 Subclass)**

10 65. Mr. Antonio and Mrs. Ines Ocegueda are a married couple of Mexican origin who
11 speak Spanish as their primary language. Mr. Ocegueda is a supervisor for a commercial
12 landscaping company and Mrs. Ocegueda does not work outside the home because she cares for
13 their oldest daughter who has Down's syndrome. Mr. and Mrs. Ocegueda have two other small
14 children.

15 66. Mr. and Mrs. Ocegueda purchased their single-family home at 2773 Meadowlark
16 Drive in Union City, California in 2004. At the time that they purchased their home, they secured
17 it with a deed of trust in the amount of \$358,000.00. Because their original mortgage loan on the
18 property had an adjustable rate, they refinanced in 2007 in order to obtain a fixed-rate loan in the
19 amount of \$370,000.00. The Oceguedas' interest-only monthly payment on this mortgage was
20 over 40 percent of their monthly income.

21 67. In May or June 2009, Mr. and Mrs. Ocegueda, though current on their payments at
22 the time, sought a loan modification to allow them to start paying down the principal balance on
23 their mortgage. Mr. Ocegueda heard about a loan modification opportunity on Mr. Aldana's
24 Spanish-language radio show. Mr. Aldana told people over the radio that they qualified for loan
25 modifications based on their mortgage amounts and incomes, and stated that he worked with a
26 group of lawyers to obtain modifications. Mr. Aldana stated that the lawyers were really good,
27 and that they could obtain lower interest rates and principal reductions on mortgage loans. Mr.
28 Aldana further stated that if the lawyers succeeded at modifying a loan, the client would pay, but

1 if they did not succeed, the client would not have to pay. All of these statements were made in
2 Spanish.

3 68. After hearing these statements, Mr. Ocegueda went to Mr. Aldana's office and
4 spoke with a staff member to set up a meeting in the next few days. During that arranged
5 meeting, Mr. and Mrs. Ocegueda and the staff member spoke only in Spanish. The staff member
6 repeated the substance of the radio program that had brought Mr. and Mrs. Ocegueda into the
7 agent's office, stating that the loan modification was guaranteed and that "the lawyers" had good
8 luck with their cases. Mr. Aldana's staff member also promised that "the lawyers" would
9 represent Mr. and Mrs. Ocegueda if they had to go to court.

10 69. During this June 18, 2009 meeting, Mr. and Mrs. Ocegueda also were presented
11 with several English-language documents to sign, in order to start the process of obtaining a loan
12 modification. Because each of these documents was written in English, the staffer ostensibly
13 explained their contents to Mr. and Mrs. Ocegueda orally in Spanish. Mr. and Mrs. Ocegueda
14 trusted the staffer's explanations of the documents. Mr. and Mrs. Ocegueda were not provided
15 with Spanish-language translations of any of the documents that they signed during this meeting,
16 or at subsequent meetings at which they signed documents.

17 70. Plaintiffs are informed and believe, and thereon allege, that the Rewire Defendants
18 did not instruct their referral network agents to provide translated contracts to individuals with
19 whom the contracts were negotiated in languages other than English.

20 71. During the June 18, 2009, meeting, Mr. and Mrs. Ocegueda provided various
21 financial documents to Mr. Aldana's staffer, including recent pay stubs, recent mortgage
22 statements and a tax return. Mr. and Mrs. Ocegueda believed that the agent's staffer would
23 provide these documents to "the attorneys" who would process their loan modification.

24 72. Among the documents that Mr. Aldana's staffer directed Mr. and Mrs. Ocegueda
25 to sign on June 18, 2009 was an Attorney-Client Agreement with Sherman & Nathanson. A true
26 and correct copy of the Attorney-Client Agreement signed by Mr. and Mrs. Ocegueda is attached
27 to this Complaint as Exhibit A. This agreement, which was pre-printed and pre-signed by
28 Defendant Nathanson, required Mr. and Mrs. Ocegueda to pay \$3,995.00 for services provided by

1 Defendant Sherman & Nathanson. In exchange, Defendant Nathanson's and Defendant Sherman
2 & Nathanson's obligations were to include diligently working on Mr. and Mrs. Ocegueda's loan
3 modification in order to obtain a favorable result in as quick a time as possible.

4 73. The Attorney-Client Agreement also stated—in English only—that the fee paid
5 would not be refundable under any circumstances. Mr. Aldana's staffer did not orally convey the
6 fact that this agreement stated that Mr. and Mrs. Ocegueda's up-front payment was non-
7 refundable. Moreover, this feature of the agreement contradicted Mr. Aldana's and his staffer's
8 oral representations in Spanish regarding the guaranty of loan modification services or their
9 money back.

10 74. Mr. and Mrs. Ocegueda paid the \$3,995.00 fee to modify their single mortgage to
11 Defendant Sherman & Nathanson with their Visa card.

12 75. Also during the June 18, 2009 meeting, Mr. Aldana's staffer gave Mr. and Mrs.
13 Ocegueda an English-language copy of the Corporate Guaranty provided by Defendant Rewire.
14 A true and correct copy of the Corporate Guaranty provided to Mr. and Mrs. Ocegueda is
15 attached to this Complaint as Exhibit B. This document provided that Defendant Rewire would,
16 “as a material inducement” to Mr. and Mrs. Ocegueda to execute and enter into the Attorney-
17 Client Agreement with Defendant Sherman & Nathanson, “absolutely, presently, continually and
18 irrevocably” guarantee to refund the amount paid in the event that Defendant Sherman &
19 Nathanson did not perform its obligations to them.

20 76. For three months after Mr. and Mrs. Ocegueda signed their paperwork and made
21 their almost \$4,000 payment to Defendant Sherman & Nathanson, they did not hear from any of
22 the Defendants. Ultimately, Mr. Ocegueda called and spoke on the telephone with Nania Riles of
23 Defendant Rewire. This telephone communication with Ms. Riles occurred after both Mr. and
24 Mrs. Ocegueda had called and left several messages for Defendant Rewire without receiving a
25 response. Ms. Riles told Mr. Ocegueda that “the lawyers” had his case and that they needed
26 copies of two paystubs, his most recent mortgage statement and his income tax return. Mr.
27 Ocegueda sent these documents right away to the address provided by Ms. Riles.
28

1 77. After Mr. Ocegueda sent the documents requested by Ms. Riles, he tried to reach
2 someone at Defendant Rewire, but did not reach Ms. Riles again until two months later, when she
3 told him that he would have to talk to “the attorneys,” who were in Los Angeles. Ms. Riles
4 provided Mr. Ocegueda with their telephone number.

5 78. In November or December 2009, Mr. Ocegueda called the office of Defendant
6 Sherman & Nathanson. He spoke to a woman, who told him that he had to wait until he got
7 something in the mail from their office or the bank.

8 79. About three weeks later, after not receiving anything, Mr. Ocegueda started calling
9 Defendant Sherman & Nathanson again; Mr. Ocegueda called more than ten times before his call
10 was answered.

11 80. When Mr. Ocegueda finally spoke again with someone from Defendant Sherman
12 & Nathanson, it was with a woman who asked him if he was behind on his mortgage. Mr.
13 Ocegueda told the woman that he was not. In response, the woman told him that Defendant
14 Sherman & Nathanson would not be able to help him unless he was behind on his mortgage. Mr.
15 Ocegueda was not interested in intentionally defaulting on his mortgage; to the contrary, he had
16 been working hard to make his payments and did not want to ruin his credit. He told the woman
17 that he wanted to cancel everything and get his money back. The woman told Mr. Ocegueda that
18 a refund was not possible.

19 81. After speaking with the woman from Defendant Sherman & Nathanson, Mr.
20 Ocegueda called Wachovia Bank, his mortgage lender. The representative from Wachovia told
21 him that Wachovia Bank had never received documents regarding a loan modification from
22 Defendant Rewire or from Defendant Sherman & Nathanson.

23 82. Mr. and Mrs. Ocegueda made two written demands for a refund to Defendant
24 Nathanson, which went unanswered.

25 83. After submitting paperwork to Wachovia on their own, in an attempt to obtain a
26 loan modification through the federal Home Affordable Modification Program (HAMP), Mr. and
27 Mrs. Ocegueda received a letter dated March 23, 2010, stating that they were officially denied a
28 loan modification because they had not sufficiently documented a financial hardship that reduced

1 their income or increased their expenses, thereby impacting their ability to make their mortgage
2 payments.

3 84. Plaintiffs are informed and believe, and thereon allege, that had the Defendants
4 employed a pre-qualification process in which they assessed Mr. and Mrs. Ocegueda's financial
5 information under the publicly-available HAMP criteria, they would have discovered that Mr. and
6 Mrs. Ocegueda never would have qualified for a loan modification.

7 85. Throughout the purported modification process, Mr. and Mrs. Ocegueda fully
8 cooperated with the Rewire Defendants and the Nathanson Defendants, and performed all of their
9 obligations under the contracts that they signed.

10 86. Mr. and Mrs. Ocegueda never received a loan modification through Defendant
11 Rewire or Defendant Sherman & Nathanson and never received a refund of the \$3,995.00 that
12 they had paid to Defendant Sherman & Nathanson.

13 87. On information and belief, the Nathanson Defendants paid Mr. Aldana a portion of
14 the \$3,995.00 paid to them by Mr. and Mrs. Ocegueda as a referral fee.

15 88. On information and belief, the Nathanson Defendants paid the Rewire Defendants
16 a portion of the \$3,995.00 paid to them by Mr. and Mrs. Ocegueda.

17 89. As a result of the lack of services provided by the Nathanson Defendants and the
18 Rewire Defendants, Mr. and Mrs. Ocegueda have suffered financial harm.

19 **Plaintiffs Jorge Orejel and Gricelda Garcia (Main Class, 1632 Subclass)**

20 90. Mr. Jorge Orejel and Ms. Gricelda Garcia are a married couple of Mexican origin
21 who speak Spanish as their primary language. Mr. Orejel is an assistant supervisor in a
22 warehouse and Ms. Garcia works stocking shelves for Target.

23 91. Mr. Orejel and Ms. Garcia purchased their single-family home located at 1891
24 Mandarin Way in San Jose, California in 2004. During the time that they have owned the house,
25 they have refinanced two times—once in 2006 and the second time in 2007. The principal on
26 their 2007 refinance loan was \$508,000.

27 92. After nearly two years of making payments on their 2007 refinanced loan, Ms.
28 Garcia had her work hours cut. In addition Mr. Orejel and Ms. Garcia's rental income became

1 irregular. As a consequence, Mr. Orejel's and Ms. Garcia's mortgage payment was roughly 60
2 percent of their total monthly income by 2009. Though they continued to make their mortgage
3 payments in full and on time, Mr. Orejel and Ms. Garcia felt financial pressure from their reduced
4 income.

5 93. In February 2009, after hearing Mr. Aldana on his Spanish-language radio show
6 speak about loan modification services, Mr. Orejel and Ms. Garcia sought loan modification
7 services from his office. However, those efforts were unsuccessful.

8 94. In late May or early June 2009, one of Mr. Aldana's staffers told Mr. Orejel and
9 Ms. Garcia about another option for obtaining a loan modification through attorneys. The staffer
10 stated that with the attorneys the process would be faster and that Mr. Orejel and Ms. Garcia
11 would be entitled to a refund if they didn't get a modification. The staffer also stated that the
12 attorneys would help them reduce their principal and interest.

13 95. On or about June 2, 2009, Mr. Orejel and Ms. Garcia met with Mr. Aldana's
14 staffer in order to enter a new loan modification agreement with the attorneys advertised by Mr.
15 Aldana.

16 96. During this meeting at Mr. Aldana's office, the staffer said that, with the attorneys
17 doing the loan modification, Mr. Orejel and Ms. Garcia would get a refund if the attorneys were
18 unable to obtain a modification of their mortgage loan. The staffer also re-iterated that the loan
19 modification process would be fast with the attorneys and that the attorneys could get Mr. Orejel
20 and Ms. Garcia a lower interest rate and reduce their principal. This conversation took place in
21 Spanish.

22 97. Both Mr. Aldana and his staffer also explained, in Spanish, to Mr. Orejel and Ms.
23 Garcia that they would be entitled to a discount on their loan modification with the attorneys due
24 to their prior efforts to secure a loan modification. Instead of paying \$3,995.00 for a modification
25 of one loan, which was the attorneys' regular rate, they would pay \$2,295.00.

26 98. Because of the promise of a money-back guaranty made by Mr. Aldana and his
27 staffer, Mr. Orejel and Ms. Garcia decided to move forward with trying to obtain a loan
28 modification through the attorneys with whom Mr. Aldana and his staffer worked.

1 99. During their June 2, 2009 meeting, Mr. Aldana’s staffer presented Mr. Orejel and
2 Ms. Garcia with several English-language documents to sign in order to start the process of
3 obtaining a loan modification. Because each of these documents was written in English, the
4 staffer ostensibly explained their contents to Mr. Orejel and Ms. Garcia orally in Spanish. Mr.
5 Orejel and Ms. Garcia felt that they could trust the staffer’s explanation of each of the documents.
6 The staffer did not provide Mr. Orejel or Ms. Garcia with Spanish-language translations of any of
7 the documents that the staffer provided for them to sign during this meeting, or at subsequent
8 meetings at which they signed documents.

9 100. Plaintiffs are informed and believe, and thereon allege, that the Rewire Defendants
10 and the Nathanson Defendants did not instruct individuals in their referral network to provide
11 translations of contracts to individuals with whom the contracts were negotiated in languages
12 other than English.

13 101. Among the documents that Mr. Aldana’s staffer directed Mr. Orejel and Ms.
14 Garcia to sign on June 2, 2009, was an Attorney-Client Agreement with Defendant Sherman &
15 Nathanson. A true and correct copy of the Attorney-Client Agreement signed by Mr. Orejel and
16 Ms. Garcia is attached to this complaint as Exhibit C. This agreement, which was pre-printed and
17 pre-signed by Defendant Nathanson, required Mr. Orejel and Ms. Garcia to pay \$2,295.00 in
18 exchange for services provided by Defendant Sherman & Nathanson, which were to include
19 diligently working on their loan modification in order to obtain a favorable result as quickly as
20 possible. The agreement also stated that the fee paid would not be refundable under any
21 circumstances. The staffer did not explain that the English written agreement did not provide for
22 a refund. Mr. Orejel and Ms. Garcia paid the \$2,295.00 fee to Defendant Sherman & Nathanson
23 with a cashier’s check dated June 2, 2009.

24 102. Also during the meeting on June 2, 2009, the staffer gave Mr. Orejel and Ms.
25 Garcia an English-language copy of the Corporate Guaranty provided by Defendant Rewire. A
26 true and correct copy of the Corporate Guaranty provided to Mr. Orejel and Ms. Garcia is
27 attached to this Complaint as Exhibit D. This document provided that Defendant Rewire would,
28 “as a material inducement” to Mr. Orejel and Ms. Garcia to execute and enter into the Attorney-

1 Client Agreement with Defendant Sherman & Nathanson, “absolutely, presently, continually and
2 irrevocably” guarantee to refund the amount paid in the event that Defendant Sherman &
3 Nathanson did not perform its obligations to them.

4 103. After not hearing about the progress of his loan modification from Defendant
5 Rewire and Defendant Sherman & Nathanson, Mr. Orejel contacted Mr. Aldana, who told Mr.
6 Orejel that he would make sure that Mr. Orejel got his money back. Mr. Orejel and Ms. Garcia
7 believe that Mr. Aldana wrote at least one written demand to Sherman & Nathanson on their
8 behalf, and also made other attempts to get their money back.

9 104. Throughout the purported modification process, Mr. Orejel and Ms. Garcia fully
10 cooperated with the Rewire Defendants and the Nathanson Defendants and performed all of their
11 obligations under the contracts that they signed.

12 105. Mr. Orejel and Ms. Garcia never received a loan modification through the Rewire
13 Defendants or Defendant Sherman & Nathanson, or a refund of the \$2,295.00 that they paid to
14 Defendant Sherman & Nathanson.

15 106. On information and belief, the Nathanson Defendants paid to Mr. Aldana as a
16 referral fee a portion of the \$2,295.00 that Mr. Orejel and Ms. Garcia paid to the Nathanson
17 Defendants.

18 107. On information and belief, the Nathanson Defendants paid the Rewire defendants
19 a portion of the \$2,295.00 paid to them by Mr. Orejel and Ms. Garcia.

20 108. Mr. Orejel and Ms. Garcia have since obtained temporary loan modifications
21 through efforts outside of the agreements that they made with the Rewire Defendants and
22 Defendant Sherman & Nathanson.

23 109. As a result of the lack of services provided by the Nathanson Defendants and the
24 Rewire Defendants, Mr. Orejel and Ms. Garcia have suffered financial harm.

25 **Plaintiff Judy Jones (Main Class)**

26 110. Plaintiff Judy Jones has had a mortgage on her home in San Jose, California, since
27 May 2007. Her mortgage was serviced by Bank of America.
28

1 111. In 2009, Ms. Jones worked as a Box Office Manager at the HP Pavilion. Ms.
2 Jones struggled to make mortgage payments because she had to allocate at least 75 percent of her
3 income to her mortgage.

4 112. Ms. Jones first heard about the modification services being offered by the Rewire
5 Defendants and the Nathanson Defendants from a friend who referred her to Ms. Abril.

6 113. Ms. Abril told Ms. Jones that the Rewire Defendants and the Nathanson
7 Defendants could obtain a lower interest rate on her mortgage and reduce her monthly payments.
8 Furthermore, Ms. Abril stated that if the Rewire Defendants and the Nathanson Defendants were
9 unable to obtain a loan modification for Ms. Jones, she would receive a full refund.

10 114. On or about April 9, 2009, Ms. Jones received the Rewire Defendants' and the
11 Nathanson Defendants' loan modification application from Ms. Abril through email.

12 115. Ms. Jones' subsequent communications with employees and authorized agents of
13 the Rewire Defendants and Nathanson Defendants were primarily through email.

14 116. Laurel Netz, who held herself out as a Defendant Rewire agent, emailed Ms. Jones
15 a form message touting the advantages of using the Nathanson and Rewire Defendants in the
16 modification process. Ms. Netz wrote that the Rewire Defendants were "not a typical loan
17 modification company," and that instead they partner with "very affluent real estate attorneys"
18 (namely, the Nathanson Defendants). These attorneys, continued Ms. Netz, "represent" the
19 homeowner and will "not beg and plead for lenders to modify . . . loans . . . instead [they] audit . .
20 . loan documents for violations against Federal and State real estate laws" in order to negotiate
21 new loan terms.

22 117. In addition, Ms. Netz claimed that the modification process would take between 45
23 and 90 days. Ms. Netz also warned Ms. Jones not to speak with her lender, but instead to forward
24 all of her lender's calls to Ms. Netz. Ms. Netz stated that if Ms. Jones did take the calls from her
25 lender and tried to negotiate a loan modification without Ms. Netz's knowledge or consent, Ms.
26 Jones would violate the Rewire Defendants' and the Nathanson Defendants' agreement and her
27 modification fee would be "fully earned."
28

1 118. On or about April 11, 2009, Ms. Jones entered into an Attorney-Client Agreement
2 with the Nathanson Defendants. A true and correct copy of the Attorney-Client Agreement
3 signed by Ms. Jones is attached to this Complaint as Exhibit E. Ms. Jones agreed to pay
4 \$3,995.00 to modify one loan. On or about April 11, 2009, Ms. Jones also entered into a
5 Corporate Guaranty with the Rewire Defendants. A true and correct copy of this Corporate
6 Guaranty is attached to this Complaint as Exhibit F. The Corporate Guaranty was signed by Inga
7 Rymal, who held herself out as the Controller for the Rewire Defendants. As a material
8 inducement to enter into the Attorney-Client Fee Agreement with the Nathanson Defendants, the
9 Rewire Defendants “absolutely, presently, continually, unconditionally, and irrevocably
10 guarantee[d] the refund to Guaranteed Party of the entire amount charged by Sherman &
11 Nathanson, a Professional corporation (S&N) in the event S&N fails to provide the services that
12 S&N promises to perform pursuant to said Attorney-Client Agreement.”

13 119. On or about May 7, 2009, Ms. Jones received another Corporate Guaranty from
14 the Rewire Defendants. A true and correct copy of this Corporate Guaranty is attached to this
15 Complaint as Exhibit G.

16 120. On or about May 8, 2009, Ms. Jones paid the Nathanson Defendants a \$3,995.00
17 “fee for service” by credit card, in advance of their services and in reliance on their
18 representations.

19 121. The Rewire Defendants and the Nathanson Defendants required Ms. Jones to
20 provide the following additional documentation: a signed and notarized Power of Attorney; a
21 signed Exclusive Services Broker Agreement; two months of recent paystubs; 2007 and 2008 W-
22 2’s; 2007 and 2008 tax returns; two months of consecutive bank statements; a recent mortgage
23 statement; any correspondence from her lender; and a hardship letter. Ms. Jones promptly
24 provided the Rewire Defendants and the Nathanson Defendants and their employees and agents
25 with the requested documentation on or about May 8, 2009.

26 122. On or about May 20, 2009, Ms. Jones emailed Ms. Netz to verify that her
27 modification application was complete. On or about May 21, 2009, Ms. Netz confirmed that Ms.
28 Jones’ application was complete and that she had been in contact with Ms. Jones’ lender in order

1 to receive mortgage documentation. Ms. Netz promised to update Ms. Jones about her loan
2 modification progress.

3 123. On or about June 2, 2009, Ms. Isabel Lopez, who held herself out to be a processor
4 for the Rewire Defendants, emailed Ms. Jones requesting an updated mortgage statement. In
5 addition, Ms. Lopez informed Ms. Jones that her lender's documents should arrive at the
6 Nathanson Defendants' offices by June 5, 2009. Ms. Jones promptly faxed the updated mortgage
7 statement to Ms. Lopez.

8 124. Throughout the purported loan modification process, Ms. Jones fully cooperated
9 with the Rewire Defendants, the Nathanson Defendants, and their employees and agents, and
10 performed all of her obligations under the contracts she signed.

11 125. On or about June 25, 2009, Ms. Jones received an email from Ms. Netz stating that
12 her file would be given to the attorney (the Nathanson Defendants) on that day (June 25, 2009) or
13 the next day (June 26, 2009). Ms. Jones' files were transferred to Michael Leal and Chris Clark,
14 employees of the Nathanson Defendants. Thereafter, Mr. Leal and Mr. Clark became the new
15 contact people who were supposed to provide updates to Ms. Jones about her loan modification
16 application.

17 126. Ms. Jones also was contacted by Valerie Tootle, the Chief Executive Officer of
18 Real Estate Services, a firm hired by the Nathanson Defendants. Ms. Jones attempted to reach
19 out to Ms. Tootle through emails to get status updates on her loan modification application.

20 127. From July 2009 until about August 2010, the Nathanson Defendants were
21 unresponsive to Ms. Jones' inquiries. Only when Ms. Jones threatened to end her contract with,
22 and requested a refund from, the Nathanson Defendants did Defendant Nathanson's agents
23 respond to Ms. Jones' requests.

24 128. The Nathanson Defendants' agents then repeatedly asked Ms. Jones to send in the
25 same documents that she had previously provided before they would proceed with Ms. Jones'
26 case. Ms. Jones obliged and promptly sent in the required documents numerous times.

27 129. On or about October 23, 2009, Ms. Abril emailed Defendant Nathanson on Ms.
28 Jones' behalf requesting a refund. Defendant Nathanson never responded.

1 130. On or about January 22, 2010, Ms. Jones emailed Mr. Clark asking for a refund
2 because her loan modification application was not progressing and because the Nathanson
3 Defendants and their agents were being unresponsive. None of the Nathanson Defendants or their
4 agents responded to Ms. Jones' request.

5 131. On or about May 19, 2010, Ms. Jones received a letter from Bank of America
6 denying her request for a loan modification. On that same day, Ms. Jones emailed Karen
7 Hernandez, another Nathanson Defendant employee, informing Ms. Hernandez about Bank of
8 America's denial letter and inquiring about the process to receive a refund from the Nathanson
9 Defendants. Ms. Hernandez never answered Ms. Jones' email.

10 132. On or about July 2, 2010, Ms. Jones emailed Ms. Hernandez again, this time
11 demanding a refund of the upfront fees paid to the Nathanson Defendants.

12 133. On or about August 20, 2010, Defendant Nathanson finally responded via email to
13 Ms. Jones' refund request. Defendant Nathanson told Ms. Jones that he could not provide her
14 with a refund.

15 134. On information and belief, the Nathanson Defendants provided Ms. Abril with a
16 portion of the \$3,995.00 paid to them by Ms. Jones as a referral fee.

17 135. On information and belief, the Nathanson Defendants provided the Rewire
18 Defendants with a portion of the \$3,995.00 paid to them by Ms. Jones.

19 136. Ms. Jones never received a loan modification through the Rewire Defendants or
20 the Nathanson Defendants, and never received a refund of the \$3,995.00 that she paid to the
21 Nathanson Defendants.

22 137. As a result of the lack of services provided by the Nathanson Defendants, the
23 Rewire Defendants and their agents, Ms. Jones has suffered financial harm.

24 IV.

25 **CLASS ALLEGATIONS**

26 138. Plaintiffs bring this action on behalf of themselves and all other similarly situated
27 persons as a class action pursuant to Code of Civil Procedure, section 382. The class which
28 Plaintiffs seek to represent is composed of and defined as follows:

1 All individuals residing in California who (1) entered into contracts
2 with the Defendants for loan modification services; (2) paid
3 advance fees for those loan modification services; (3) were not
4 provided with the loan modification services promised; and (4) did
5 not receive promised refunds.

6 139. The proposed class includes a Subclass comprised of and defined as:

7 All Class Members who negotiated primarily with the Defendants in
8 Spanish, Chinese, Tagalog, Vietnamese, or Korean, but did not
9 receive a translation of every term and condition of the written
10 agreements with Defendants (“1632 Subclass”).

11 140. Plaintiffs reserve the right under California Rules of Court, rule 3.765(b) to amend
12 or modify the class description with greater specificity or division into subclasses or limitation to
13 particular issues.

14 141. This action has been brought and may be maintained as a class action pursuant to
15 Code of Civil Procedure, section 382 because there is a well-defined common interest of many
16 persons, and it is impractical to bring them all before the Court.

17 **A. Numerosity**

18 142. The potential quantity of members of the Class as defined is so numerous that
19 joinder of all members would be unfeasible and impractical. The disposition of their claims
20 through this class action will benefit both the parties and this Court. The quantity of members of
21 the Class is unknown to Plaintiffs at this time; however, it is estimated that the Class number is
22 over 250 individuals. The quantity and identity of such membership is readily ascertainable via
23 inspection of Defendants’ records.

24 **B. Common Questions Predominate**

25 143. Common questions of law and fact exist as to all Class Members, and predominate
26 over any questions that affect only individual members of the Class. The common questions of
27 law and fact include, but are not limited to:

28 ///

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- 1 (1) The degree to which each Defendant acted on behalf or as an agent of the other
2 Defendants;
- 3 (2) Defendants' practice with respect to processing loan modification payments from
4 the victim Class;
- 5 (3) Compensation arrangements made between the Defendants in exchange for
6 referrals;
- 7 (4) Contractual representations made to victims in the form contracts used by
8 Defendants;
- 9 (5) What Defendants publicly represented regarding the purported loan modification
10 services (including, e.g., website, oral, print or radio advertising);
- 11 (6) Whether Defendants' public representations regarding their purported loan
12 modification services constitute deceptive and unfair acts;
- 13 (7) To what extent Defendants acted on behalf of one another with respect to
14 deceptive statements;
- 15 (8) The Rewire Defendants' obligations under the Corporate Guaranty, including, for
16 example, their obligations to honor money-back guaranties and their failure to
17 honor these obligations;
- 18 (9) The Rewire Defendants' intent to honor their obligations under the Corporate
19 Guaranty;
- 20 (10) Rewire's corporate structure and whether it was an alter-ego of its principals;
- 21 (11) Defendants' pattern and practice with respect to failing to provide loan
22 modification services;
- 23 (12) Additional common questions of law and fact that may develop as the litigation
24 progresses.

19 **C. Typicality**

20 144. The claims of Plaintiffs are typical of the claims of all members of the Class (and,
21 if applicable, Subclass) defined herein because all members of the Class (and, if applicable,
22 Subclass) sustained similar injuries and damages arising out of Defendants' common course of
23 conduct in violation of law, and the injuries and damages of all members of the Class (and, if
24 applicable, Subclass) were caused by Defendants' wrongful conduct in violation of law, as
25 alleged herein.

26 **D. Adequacy of Representation**

27 145. Plaintiffs are adequate representatives of the Class defined herein, will fairly
28 protect the interests of the members of the Class, have no interests antagonistic to the members of

1 the Class, and will vigorously pursue this suit via attorneys who are competent, skilled, and
2 experienced in litigating matters of this type. Class counsel is competent and experienced in
3 litigating large class actions.

4 **E. Superiority**

5 146. The nature of this action and the nature of laws available to Plaintiffs make the use
6 of the class action format a particularly efficient and appropriate procedure to afford relief to
7 Plaintiffs for the wrongs alleged herein. Individual joinder of all Class Members is impractical.
8 Class action treatment will permit a large number of similarly situated persons to prosecute their
9 common claims in a single forum simultaneously, efficiently, and without the unnecessary
10 duplication of effort and expense that numerous individual actions engender. Because the losses,
11 injuries, and damages suffered by some of the individual Class Members are in almost all cases
12 too small to support an independent lawsuit, the expenses and burden of individual litigation
13 would make it extremely difficult or impossible for individual Class Members to redress wrongs
14 done to them.

15 **V.**

16 **CAUSES OF ACTION**

17 **First Cause of Action**

18 *Breach of Contract (Corporate Guaranty)*

19 (As against Amin, DeBlasi, Holland, TMG. and the RewireMyLoan Entities)

20 (On behalf of all Class Members)

21 147. Plaintiffs incorporate all of the foregoing allegations in all previous paragraphs as
22 though fully set forth herein.

23 148. In exchange for valuable consideration, Amin executed a Corporate Guaranty on
24 behalf of Rewire with the Class Members.

25 149. This contract was in writing and executed when the Class Members entered into
26 the Attorney-Client Agreement with the Nathanson Defendants.

27 150. The Corporate Guaranty expressly provided that it was a “material inducement,”
28 and was part of the consideration provided to induce the Class Members to enter into contracts
with the Defendants, including the Attorney-Client Agreement.

1 151. The Corporate Guaranty was signed by Amin on behalf of Rewire doing business
2 as RewireMyLoan.com, the Guarantor under the Agreement.

3 152. Accordingly, the Corporate Guaranty is an enforceable guaranty under California
4 law under Civil Code, sections 2792-94.

5 153. Because the Nathanson Defendants failed to perform the promised loan
6 modification services for Plaintiffs and the Class Members, as set forth in the Attorney-Client
7 Agreement, Rewire was obligated to repay the full amount of their up-front payments and failed
8 to do so.

9 154. By failing to provide the promised money-back guaranty, Rewire Defendants
10 breached one or more provisions of the Corporate Guaranty.

11 155. As a consequence of the Rewire Defendants' breaches of the Corporate Guaranty,
12 the Class Members were damaged in an amount to be proven at trial, including attorneys' fees
13 under Civil Code, section 1717.

14 156. As Rewire is an alter-ego of its principals Amin, Holland and DeBlasi, they are
15 liable for Rewire's breaches.

16
17 **Second Cause of Action**

17 *Unfair Competition* (Bus. & Prof. Code, § 17200)

18 *Corporate Guaranty*

18 (As against Amin, DeBlasi, Holland, TMG, and the RewireMyLoan Entities)

19 (On behalf of all Class Members)

20 157. Plaintiffs incorporate all of the foregoing allegations in all previous paragraphs as
21 though fully set forth herein.

22 158. Section 17200 of the Business and Professions Code prohibits unfair competition,
23 including any unlawful, unfair or fraudulent business act or practice.

24 159. By utilizing a form Corporate Guaranty as a "material inducement" for the Class
25 Members to enter into contracts with the Defendants – and failing to provide the Class Members
26 with the promised money-back guaranty after the Nathanson Defendants failed to perform the
27 promised loan modification services – the Rewire Defendants engaged in an unfair pattern and
28 practice of breaching the Corporate Guaranty and/or acting unfairly against the Class Members.

1 160. These actions, individually and collectively, are unlawful, unfair, or fraudulent
2 business acts or practices within the meaning of Section 17200.

3 161. These unlawful, unfair, or fraudulent business acts or practices caused injury in
4 fact to the Class Members.

5 162. Section 17200 further prohibits unfair, deceptive, untrue or misleading advertising.

6 163. By making false and/or deceptive representations regarding the supposedly
7 “guaranteed” loan modification and/or litigation services that would purportedly be performed by
8 the Defendants to the public through channels including oral representation, the Internet, radio,
9 and form contracts, Defendants made numerous material misrepresentations and/or omissions that
10 were likely to mislead a consumer acting reasonably under the circumstances.

11 164. These material misrepresentations and/or omissions constituted unfair, deceptive,
12 untrue or misleading advertisements within the meaning of Section 17200.

13 165. As a result of the conduct described above, Plaintiffs and the Class Members have
14 suffered and will suffer injury in fact, and have lost money and/or property that is subject to
15 restitution.

16 166. Accordingly, the Class is entitled to equitable relief under Section 17200 in the
17 form of restitution and injunctions and any other equitable relief permissible under Section
18 17200.

19 **Third Cause of Action**

20 *Unfair Competition* (Bus. & Prof. Code, § 17200)

21 *Failure to Translate Attorney Fee Agreement*

22 (As against Amin, DeBlasi, Holland, TMG, and the RewireMyLoan Entities)

23 (On behalf of 1632 Subclass Members)

24 167. Plaintiffs incorporate all of the foregoing allegations in all previous paragraphs as
25 though fully set forth herein.

26 168. Section 17200 of the Business and Professions Code prohibits unfair competition,
27 including any unlawful, unfair or fraudulent business act or practice.

28 169. The Nathanson Defendants were engaged in a trade or business and negotiated
primarily in Chinese, Korean, Spanish, Tagalog, or Vietnamese, orally or in writing, with the

1 1632 Subclass Members in the course of entering into the Attorney-Client Agreement, which
2 contained a statement of fees or charge.

3 170. At all relevant times, the Nathanson Defendants were engaged in a business and
4 were licensed to practice law pursuant to Chapter 4 (commencing with Section 6000) of Division
5 3 of the Business and Professions Code.

6 171. The 1632 Subclass Members entered into these contracts for the purpose of
7 obtaining legal services to be provided by the Nathanson Defendants.

8 172. The Rewire Defendants acted as the Nathanson Defendants' agents in negotiating
9 with the 1632 Subclass Members in the course of entering into the Attorney-Client Agreement.

10 173. The Rewire Defendants failed to deliver to the 1632 Subclass Members a
11 translation of the agreements that the 1632 Subclass Members ultimately signed in the language
12 in which the contract or agreement was negotiated.

13 174. The Rewire Defendants' failure to provide a translation of every term and
14 condition in that contract or agreement violated Civil Code, section 1632, subdivision (b)(6).

15 175. By violating this law, the Rewire Defendants engaged in an unlawful, unfair, and
16 fraudulent pattern and practice against the Class Members.

17 176. These actions, individually and collectively, are unlawful, unfair, or fraudulent
18 business acts or practices within the meaning of Section 17200.

19 177. As a result of the conduct described above, Plaintiffs and the Class Members have
20 suffered and will suffer injury in fact, and have lost money and/or property that is subject to
21 restitution.

22 178. Accordingly, the Class is entitled to equitable relief under Section 17200 in the
23 form of restitution and injunctions and any other equitable relief permissible under Section
24 17200.

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Fourth Cause of Action
Unfair Competition (Bus. & Prof. Code, § 17200)
False Advertising
(As against Amin, DeBlasi, Holland, TMG, and the RewireMyLoan Entities)
(On behalf of all Class Members)

179. Section 17200 further prohibits unfair, deceptive, untrue or misleading advertising.

180. By making false and/or deceptive representations regarding the supposedly “guaranteed” loan modification and/or litigation services that would purportedly be performed by the Defendants to the public through channels including oral representation, the Internet, radio, and form contracts, Defendants made numerous material misrepresentations and/or omissions that were likely to mislead a consumer acting reasonably under the circumstances.

181. These material misrepresentations and/or omissions constituted unfair, deceptive, untrue or misleading advertisements within the meaning of Section 17200.

182. As a result of the conduct described above, Plaintiffs and the Class Members have suffered and will suffer injury in fact, and have lost money and/or property that is subject to restitution.

183. Accordingly, the Class is entitled to equitable relief under Section 17200 in the form of restitution and injunctions and any other equitable relief permissible under Section 17200.

Fifth Cause of Action
Fraud
(As against Amin, DeBlasi, Holland, TMG, and the RewireMyLoan Entities)
(On behalf of all Class Members)

184. Plaintiffs incorporate all of the foregoing allegations in all previous paragraphs as though fully set forth herein.

185. Amin on behalf of Rewire represented to each Class Member through the Rewire Corporate Guaranty that each Class Member would receive the return of their up-front payments in the event that the Defendants were unable to secure a loan modification for the Class Member, or the Nathanson Defendants otherwise failed to provide the services they promised to perform pursuant to the Attorney-Client Agreement.

186. Amin’s and Rewire’s representation was false.

1 187. Upon information and belief, Amin and Rewire knew that the representation was
2 false when he made it because Amin did not intend to provide the promised refunds, and/or he
3 made the representation recklessly and without regard for its truth.

4 188. Amin and Rewire intended that the Class Members rely on the representation of a
5 promised refund, set forth in the Corporate Guaranty, which they offered as “material
6 inducement” for Class Members to enter the Attorney-Client Agreements.

7 189. The Class Members reasonably relied on Amin’s and Rewire’s representation by
8 entering into the Attorney-Client Agreements.

9 190. As a result of the fraudulent representations by Amin and Rewire, the Class
10 Members were harmed by the loss of the up-front payments they made when they entered the
11 Attorney-Client Agreements.

12 191. The Class Members’ reliance on Amin’s and Rewire’s representation was a
13 substantial factor in causing the harm.

14 192. Holland, DeBlasi and TMG were agents of Rewire and knew of and participated in
15 the making of the fraudulent representations set forth in the Corporate Guaranty, and therefore are
16 liable for Rewire’s fraudulent acts as well.

17 193. Holland, DeBlasi, and TMG were co-conspirators of Amin and Rewire because
18 they knew of and participated in the making of the fraudulent representations set forth in the
19 Corporate Guaranty, and agreed with and allowed Amin and Rewire to make these fraudulent
20 representations to Class Members through the Corporate Guaranty, so as to individually benefit
21 from this conspiracy, and therefore are liable as co-conspirators for Amin and Rewire’s
22 fraudulent representations as well.

23 194. The Rewire Defendants committed the alleged fraudulent acts with malice,
24 oppression and/or with intent to harm the Class Members.

25 195. Plaintiffs and the Class Members did not and, through the use of reasonable
26 diligence, until shortly before the filing of this Amended Complaint, could not have discovered
27 the Rewire Defendants’ fraudulent acts. Because the Rewire Defendants have superior
28 knowledge of their own intentions, the only circumstance which could have led to the discovery

1 of Rewire Defendants' fraudulent acts was the recent production of evidence during discovery
2 that revealed that the Rewire Defendants had no intention of performing their promise to refund
3 Class Members as they represented in their Corporate Guaranty.

4 **PRAYER**

5 WHEREFORE, Plaintiffs and the Class Members respectfully request Judgment as
6 follows:

- 7 a) That the Court determine that this action may be maintained as a class action;
- 8 b) A declaration that the Rewire Defendants have breached their agreements with the
9 Class Members;
- 10 c) A declaration that the Rewire Defendants have engaged in unfair competition to
11 the detriment of, and/or utilized unfair or deceptive practices with, the Class and Subclass
12 Members;
- 13 d) A declaration that the Rewire Defendants have defrauded the Class and Subclass
14 Members with malice, oppression and intent to harm;
- 15 e) That Plaintiffs be appointed as the representatives of the Class and Subclass;
- 16 f) That the attorneys of record for Plaintiffs whose names appear in this Complaint
17 be appointed as Class Counsel;
- 18 g) For compensatory damages as proven at trial;
- 19 h) For restitution to Plaintiffs and the Class and Subclass of money or property
20 wrongfully taken from them;
- 21 i) For provisional remedies against the Rewire Defendants, including a preliminary
22 injunction prohibiting the Defendants from continuing their unlawful acts and unfair acts, or
23 transferring the profits and ill-gotten gains of such acts;
- 24 j) For permanent injunctions prohibiting the Rewire Defendants from engaging in the
25 conduct set forth above;
- 26 k) For an order of specific performance by the Rewire Defendants to honor the
27 guaranty provisions of the form contracts at issue;
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1 l) For exemplary damages as permitted under the Civil Code or under any other
2 statute or rule applicable to the claims set forth above;

3 m) For trebled damages as permitted by the statutes set forth above;

4 n) For a constructive trust against all Rewire Defendants over the property
5 wrongfully obtained by Rewire Defendants for the benefit of Plaintiffs and the Class, requiring
6 any Rewire Defendant in possession of monies wrongfully taken from Plaintiffs and the Class to
7 hold such monies for the benefit of, and distribute such monies to, Plaintiffs and the Class;

8 o) For an accounting of the books and records of the Rewire Defendants and all
9 persons and entities acting in coordination with Defendants, to determine the amount due from
10 the Rewire Defendants to Plaintiffs and the Class and the location and source of all monies and
11 property obtained by the Rewire Defendants from Plaintiffs and the Class, including from persons
12 providing funds to the Rewire Defendants on behalf of Class and Subclasses Members;

13 p) For reasonable attorneys' fees as permitted by the statute(s) set forth above, the
14 parties' contracts (per Civ. Code, § 1717) and as permitted under Code of Civil Procedure,
15 section 1021.5, or any other applicable legal provision;

16 q) For costs of suit;

17 r) For pre-judgment interest at the legal rate; and

18 s) For any other injunctive and equitable relief the Court may deem proper.

19 **JURY DEMAND**

20 Plaintiffs and the Class Members hereby demand a trial by jury for all issues
21 which may be tried by jury.

22 Dated: April 2, 2013

23 ELIZABETH A. HOWARD
24 SIDDHARTHA M. VENKATESAN
25 ORRICK, HERRINGTON & SUTCLIFFE LLP

26 

27 Elizabeth A. Howard
28 Attorneys for Plaintiffs ANTONIO OCEGUDA,
INES OCEGUEDA, JORGE OREJEL,
GRICELDA GARCIA and JUDY JONES and all
others similarly situated