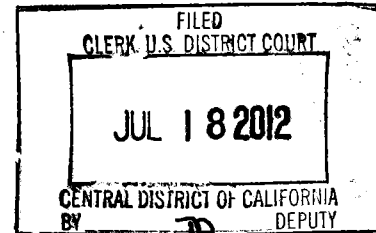


1 KENT MARKUS, OH Bar #16005
Enforcement Director
2 LAURA SCHNEIDER, NY Bar #2715449
(Phone: 202-435-7311)
3 (Email: Laura.Schneider@cfpb.gov)
4 CRYSTAL R. SUMNER, CA Bar #261435
(Phone: 202-435-7549)
5 (Email: Crystal.Sumner@cfpb.gov)
6 CARMEN L. CHRISTOPHER, CA Bar #231508
(Email: Carmen.Christopher@cfpb.gov)
7 Consumer Financial Protection Bureau
1700 G Street NW
8 Washington, DC 20552
Fax: (202) 435-7722



9 KENT KAWAKAMI, CA Bar #149803 – Local Counsel
(Phone: 213-894-4858)
10 (Email: Kent.Kawakami@usdoj.gov)
11 United States Attorney's Office
12 Central District of California - Civil Division
300 North Los Angeles Street, Room 7516
13 Los Angeles, CA 90012
Fax: (213) 894-2380

14
15 Attorneys for Plaintiff
16 Consumer Financial Protection Bureau

17 UNITED STATES DISTRICT COURT
18 CENTRAL DISTRICT OF CALIFORNIA

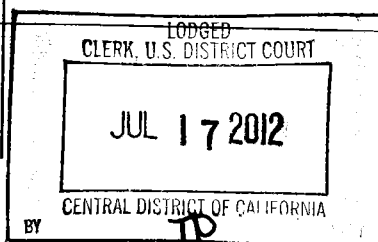
19 Consumer Financial Protection Bureau,
20 Plaintiff,
21 v.

22 Chance Edward Gordon, an individual,
23 and also d/b/a Gordon & Associates,
24 The Law Offices of Chance E. Gordon,
25 The Law Offices of C. Edward
Gordon, The C.E.G. Law Firm,
26 National Legal Source, Resource Law
Center, Resource Law Group, and
27 Resource Legal Group;

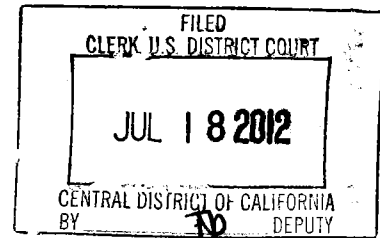
Case No. **CV12-06147 RSWL (MRWx)**

**COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
RELIEF**

(FILED UNDER SEAL)



KENT MARKUS, OH Bar #16005
Enforcement Director
LAURA SCHNEIDER, NY Bar #2715449
(Phone: 202-435-7311)
(Email: Laura.Schneider@cfpb.gov)
CRYSTAL R. SUMNER, CA Bar #261435
(Phone: 202-435-7549)
(Email: Crystal.Sumner@cfpb.gov)
CARMEN L. CHRISTOPHER, CA Bar #231508
(Email: Carmen.Christopher@cfpb.gov)
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552
Fax: (202) 435-7722



KENT KAWAKAMI, CA Bar #149803 – Local Counsel
(Phone: 213-894-4858)
(Email: Kent.Kawakami@usdoj.gov)
United States Attorney's Office
Central District of California - Civil Division
300 North Los Angeles Street, Room 7516
Los Angeles, CA 90012
Fax: (213) 894-2380

Attorneys for Plaintiff
Consumer Financial Protection Bureau

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Consumer Financial Protection Bureau,

Plaintiff,

v.

Chance Edward Gordon, an individual,
and also d/b/a Gordon & Associates,
The Law Offices of Chance E. Gordon,
The Law Offices of C. Edward
Gordon, The C.E.G. Law Firm,
National Legal Source, Resource Law
Center, Resource Law Group, and
Resource Legal Group;

Case No. **CV12-06147** RSM (MRWx)

**COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
RELIEF**

(FILED UNDER SEAL)

1 The Gordon Law Firm, P.C.,
a professional corporation;

2 Abraham Michael Pessar, an
3 individual;

4 Division One Investment and Loan,
5 Inc.,
a corporation, and also d/b/a
6 Division One Business Solutions, D1
Companies, Division One, Division 1,
7 Home Savers National, D1 Marketing
8 Solutions, and Relief Council; and

9 Processing Division, L.L.C.,
a limited liability company, and also
10 d/b/a Qualification Intake Department,
11 Division One, The Relief Network, and
Relief Network;

12 Defendants.

13
14 Plaintiff, the Consumer Financial Protection Bureau (“CFPB” or “Bureau”),
15 alleges:

16 1. The Bureau brings this action under (1) Sections 1031(a), 1036(a), 1054, and
17 1055 of the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C. §§ 5531(a),
18 5536(a), 5564, and 5565; and (2) Section 626 of the Omnibus Appropriations Act, 2009,
19 as amended by Section 1097 of the CFPA, 12 U.S.C. § 5538, and the Mortgage
20 Assistance Relief Services Rule, 16 C.F.R. Part 322 (“MARS Rule”), recodified as
21 Mortgage Assistance Relief Services, 12 C.F.R. Part 1015 (collectively, “Regulation O”).
22 Defendants have violated the CFPA and Regulation O in connection with the marketing
23 and sale of their mortgage assistance relief services.

24 **JURISDICTION AND VENUE**

25 2. This Court has subject-matter jurisdiction over this action because it is
26 “brought under Federal consumer financial law,” 12 U.S.C. § 5565(a)(1), presents a
27
28

1 federal question, 28 U.S.C. § 1331, and is brought by an agency of the United States, 28
2 U.S.C. § 1345.

3 3. Venue is proper in this District under 28 U.S.C. §§ 1391(b) and (c), and 12
4 U.S.C. §§ 2614 and 5564(f).

5 **PLAINTIFF**

6 4. Plaintiff Bureau is an independent agency of the United States charged with
7 regulating the offering and provision of consumer financial products or services under
8 Federal consumer financial laws. 12 U.S.C. § 5491(a). The Bureau's regulatory
9 authority extends to the provision of financial advisory services to consumers, which
10 constitute consumer financial products or services. 12 U.S.C. §§ 5481(5);
11 5481(15)(A)(viii). Financial advisory services include services to assist consumers with
12 debt management or debt settlement, modifications to the terms of any extension of
13 credit, or foreclosure avoidance. 12 U.S.C. § 5481(15)(A)(viii); *see also id.* § 5481(5).
14 The Bureau is authorized to take appropriate enforcement action to address violations of
15 Federal consumer financial law, including the CFPA and Regulation O. *See* 12 U.S.C. §§
16 5511(c)(4); 5512(a); 5564(a).

17 5. Section 1036(a) of the CFPA, 12 U.S.C. § 5536(a), prohibits unfair,
18 deceptive, or abusive acts or practices, or other violations of Federal consumer financial
19 law, by any covered person or service provider. Regulation O requires mortgage
20 assistance relief providers to make certain disclosures, prohibits such providers from
21 making certain representations, and prohibits such providers from collecting a fee until
22 the consumer has executed a written agreement with their lender or servicer incorporating
23 the offer of mortgage assistance relief services obtained by the mortgage assistance relief
24 provider.

25 6. The Bureau is authorized to initiate federal district court proceedings, by its
26 own attorneys, to enjoin violations of the CFPA and Regulation O, and to secure such
27 relief as may be appropriate in each case, including rescission or reformation of contracts,
28

1 the refund of moneys paid, restitution, and disgorgement or compensation for unjust
2 enrichment. 12 U.S.C. §§ 5531, 5564(a) and (b), and 5565.

3 DEFENDANTS

4 7. Defendant Chance Edward Gordon ("Gordon") is an individual who, acting
5 alone or in concert with others, and through his interrelated companies described below,
6 has engaged in the offering or providing of mortgage assistance relief services, as defined
7 in Regulation O (16 C.F.R. § 322.2, recodified as 12 C.F.R. § 1015.2), including but not
8 limited to loan modifications and foreclosure relief services. Defendant Gordon has also
9 operated and continues to operate businesses that offer to provide or provide mortgage
10 assistance relief services. His businesses include, but are not limited to, National Legal
11 Source, Resource Law Center, Resource Law Group, Resource Legal Group, Gordon &
12 Associates, The Law Offices of Chance E. Gordon, The Law Offices of C. Edward
13 Gordon, and The C.E.G. Law Firm (collectively, "Gordon Entities") and The Gordon
14 Law Firm, P.C. At all times material to this complaint, acting alone or in concert with
15 others, Defendant Gordon has directly participated in the acts and practices set forth in
16 this complaint. At all times material to this complaint, Gordon transacts or has transacted
17 business in the Central District of California.

18 8. Defendant The Gordon Law Firm, P.C. ("Gordon Law Firm") is a California
19 professional corporation owned, directed, and/or controlled by Defendant Gordon with a
20 last known physical business address at 5455 Wilshire Boulevard, Suite 2010, Los
21 Angeles, California 90036. At all times material to this complaint, Gordon Law Firm
22 transacts or has transacted business in the Central District of California.

23 9. Defendant Abraham Michael Pessar ("Pessar") is an individual who, acting
24 alone or in concert with others, and through his company described below, has engaged
25 in the offering or providing of mortgage assistance relief services, as defined in
26 Regulation O (16 C.F.R. § 322.2, recodified as 12 C.F.R. § 1015.2), including but not
27 limited to loan modification and foreclosure relief services. Defendant Pessar has also
28

1 operated and continues to operate businesses that offer to provide or provide mortgage
2 assistance relief services. His businesses include, but are not limited to, Division One
3 Investment and Loan, Inc., and Processing Division, L.L.C. At all times material to this
4 complaint, acting alone or in concert with others, Defendant Pessar has directly
5 participated in the acts and practices set forth in this complaint. In connection with the
6 matters alleged herein, Pessar transacts or has transacted business in the Central District
7 of California.

8 10. Defendant Division One Investment and Loan, Inc., d/b/a Division One
9 Business Solutions, D1 Companies, Division One, Division 1, Home Savers National,
10 and D1 Marketing Solutions, Relief Council ("Division One Investment") is a California
11 corporation owned, directed, and/or controlled by Defendant Pessar with a last known
12 physical business address at 5455 Wilshire Boulevard, Suite 2005, Los Angeles,
13 California 90036. At all times material to this complaint, Division One Investment
14 transacts or has transacted business in the Central District of California.

15 11. Defendant Processing Division, L.L.C., d/b/a Qualification Intake
16 Department, Division One, The Relief Network, and Relief Network ("Processing
17 Division") is a California limited liability company owned, directed, and/or controlled by
18 Defendant Pessar with a last known physical business address at 5455 Wilshire
19 Boulevard, Suite 1814, Los Angeles, California 90036. At all times material to this
20 complaint, Processing Division transacts or has transacted business in the Central District
21 of California.

22 12. At all times material to this complaint, Gordon Law Firm, Division One
23 Investment, and Processing Division (collectively, "Corporate Defendants") have
24 operated as a common enterprise while engaging in the violations of Federal consumer
25 financial law set forth below. The Corporate Defendants have conducted the business
26 practices described below through an interrelated network of companies that have
27 common business functions, employees, and office locations. Moreover, the Corporate

1 Defendants have also commingled funds and shared marketing materials. Because the
2 Corporate Defendants have operated as a common enterprise, each of them is jointly and
3 severally liable for the acts and practices alleged below. Defendants Gordon (who also
4 operates through the Gordon Entities) and Pessar are the sole owners of the Corporate
5 Defendants that comprise the common enterprise.

6 **SUMMARY OF COMPLAINT**

7 13. Since at least early 2010, Gordon (including the Gordon Entities), Gordon
8 Law Firm, Pessar, Division One Investment and Processing Division (collectively
9 “Defendants”) have engaged in an ongoing, unlawful mortgage relief scheme that preys
10 on financially distressed homeowners nationwide by falsely promising a loan
11 modification in exchange for an advance fee. Defendants attract distressed homeowners
12 via websites, mailers, and phone calls, deceptively promising substantial relief from
13 unaffordable mortgages and foreclosures. Defendants promise a substantial reduction in
14 the homeowners’ mortgage payments in exchange for an advance fee ranging from
15 \$2,500 to \$4,500. Rather than helping homeowners modify their mortgage loans or avoid
16 foreclosure, Defendants dupe distressed homeowners into paying thousands of dollars
17 based on false promises and misrepresentations. Indeed, Defendants provide little, if any,
18 meaningful assistance to modify homeowners’ mortgage loans or prevent foreclosure.

19 14. As part of the scheme, Defendants gain consumers’ confidence by
20 misrepresenting affiliation with government entities in direct mail solicitations sent to
21 consumers. For example, one solicitation Defendants sent states at the top of the
22 solicitation in large, capitalized font “NOTICE OF HUD RIGHTS.” Defendants also
23 make or have made representations on the telephone in the initial sales pitch to
24 consumers that Defendants are the government, are affiliated with the government, or that
25 they are “sponsored” by a government grant.

26 15. During the initial calls and interactions with homeowners, Defendants
27 promise homeowners substantial reductions in homeowners’ mortgage payments and
28

1 interest rates in exchange for an upfront fee. To entice homeowners into this
2 arrangement, Defendants represent to consumers that the firm has successfully obtained a
3 large number of modifications in the past and are one of the best firms at obtaining loan
4 modifications.

5 16. Defendants typically require consumers to sign paperwork indicating that the
6 consumer's upfront payment is for Defendants' "Pre-Litigation Monetary Claims
7 Program" ("Pre-Litigation Program"). Defendants' Pre-Litigation Program purportedly
8 provides the homeowner with a detailed legal analysis of illegal conduct engaged in by
9 their particular lender, often called a "forensic audit." At the same time, Defendants
10 purport to provide loan modification services for free under the guise of pro bono legal
11 services. Defendants, however, tell consumers that failure to make a payment will result
12 in an inability to process the consumer's paperwork and to submit the documents,
13 including the loan modification documents that are purportedly prepared pro bono, to the
14 lender. Defendants' bifurcated business model involving a fee-based "forensic audit" and
15 pro bono "legal services" is specifically designed to avoid the mandates of laws such as
16 MARS and Regulation O that prohibit advance fees and deception by mortgage relief
17 operations like those run by Defendants.

18 17. In reality, Defendants do little or nothing to assist consumers. Rather,
19 Defendants direct consumers to avoid interactions with their lender and to stop making
20 their mortgage payments. While Defendants fail to take any meaningful action, many
21 consumers enter foreclosure or lose their properties.

22 18. In numerous instances, consumers who paid Defendants' fee have suffered
23 significant economic injury, including foreclosure and the loss of their properties.

24 **GOVERNMENT MORTGAGE ASSISTANCE**

25 19. Numerous mortgage lenders and servicers have offered certain borrowers the
26 opportunity to modify loans that have become unaffordable. Many of these loan
27 modification programs have expanded dramatically as lenders have increased
28

1 participation in the federal government's "Making Home Affordable" program, a plan to
2 stabilize the U.S. housing market and help millions of Americans reduce their monthly
3 mortgage payments to more affordable levels. The Making Home Affordable program
4 includes the Home Affordable Modification Program, to which the federal government
5 has committed up to \$75 billion to keep significant numbers of Americans in their homes
6 by preventing avoidable foreclosures. While Defendants rely on references to the
7 Making Home Affordable program to market their services, they are not connected with
8 the program and are not affiliated or otherwise associated with, or endorsed, sponsored,
9 or approved by, the United States government in any way.

10 **DEFENDANTS' BUSINESS ACTIVITIES**

11 20. Since at least early 2010, Defendants, acting alone or in concert with others,
12 have engaged in a course of conduct to offer or provide to homeowners mortgage
13 assistance relief services, including mortgage loan modification, foreclosure relief
14 services, and forensic audit services.

15 21. To induce consumers to purchase their services, Defendants have
16 disseminated or caused to be disseminated advertisements for mortgage assistance relief
17 services. Defendants market their services using direct mail solicitations that solicit
18 inbound calls from homeowners. Defendants also market their services via outbound
19 telephone calls and Internet websites to consumers throughout the United States who are
20 in financial distress, behind on their mortgage loans, or in danger of losing their homes to
21 foreclosure.

22 **Defendants' Deceptive Direct Mail Solicitation**

23 22. As part of the scheme, Defendants send direct mail solicitations to
24 financially distressed homeowners throughout the United States to convince consumers to
25 call Defendants to inquire about Defendants' purported loan modification services.

26 23. In numerous instances, Defendants' direct mail solicitations contain images
27 and language representing an affiliation with government entities and a toll-free phone
28

number to call for help. The solicitations tell consumers that previous attempts have been made to contact them and urge consumers to call the listed toll-free number before the deadline for the “Stimulus Program” occurs.

24. For example, one direct mail solicitation Defendants sent to consumers states that it is a “Notice of HUD Rights” and refers to “Stimulus Programs HAM[P] or HARP” and 2% interest rates for which the consumer may qualify:

NOTICE OF HUD RIGHTS



Qualification Intake Department
1718 M Street, NW #221
Washington, DC 20036

Se Habla Español

Intake Dept. Toll-Free Help Line:

877-499-2228

In no way are we attempting to collect any debt. None of the information you give us will be used for any Debt-Collection Purposes.

It's very important that you are aware of these options. We have made several unsuccessful attempts at contacting you. Please contact us as soon as possible. The deadline to enter into a Stimulus Program is coming soon. Your rights may include but are not limited to:

1. Qualify for Stimulus Programs HAM or HARP.
2. You can be current or late on mortgage and still qualify.
3. Interest rates qualify at 2% and DTI at 31% and you do not have to be upside down on home value. Please call now for help on qualifying.

The Washington, D.C., address provided in this solicitation is actually a UPS Store mailbox. Defendants do not otherwise have a business presence in Washington, D.C. Indeed, this address appears to be designed solely to deceive consumers into believing that Defendants have an affiliation with Washington, D.C.-based government entities.

25. The reverse side of the direct mail solicitation indicates that applicants have a high likelihood of “qualifying” for mortgage loan modification and foreclosure

prevention services, stating: "It's a fact: 84% OF ALL HOME MORTGAGES MAY QUALIFY even if you think your situation is hopeless."

26. In numerous instances, consumers call the toll-free number with the belief they are calling the Department of Housing and Urban Development ("HUD") or a HUD-affiliated entity for loan assistance. Instead, consumers reach Defendants.

27. Some of Defendants' direct mail solicitations refer to the Making Home Affordable Program and include the consumer's loan amount, a reference number, an indication that the consumer is "pre-qualified," and an estimated reduction amount.

28. For example, one direct mail solicitation Defendants sent to consumers states:

PROGRAM:
MAKING HOMES AFFORDABLE
REFERENCE CODE: 1207234343

Our offices will assist you in determining what programs are available and whether or not you qualify for these programs. Please do not hesitate, assistance is available. Call our Toll-Free Help line 877-499-2228.

OPTIONS FOR REDUCTION

ESTIMATED REDUCTION
As low as \$1,548 Per Month
NOTICE EXPIRATION DATE

January 9, 2012

ELIGIBLE PROGRAM		STATUS
[REDACTED]		PRE-QUALIFIED
REFERENCE NUMBER	LOAN AMOUNT	
1207234343	\$415,705	
PRESENT	PAID REDUCTIONS	ACTIVE
PAYMENT REDUCTION POSSIBLE (UNCONFIRMED)	PENDING INTEREST RATES AS LOW AS 2%	NO RECORD

QUALIFICATION INTAKE

DEPARTMENT

877-499-2228

SE HABLA ESPAÑOL

1207234343



PREPARED
1907.0.001.000
U.S. POSTAGE PAID
MAILING PERMIT NO. 1520
PERMIT NO. 1520



29. Defendants' direct mail solicitations fail to disclose in a clear and prominent manner that that (1) Defendants' company is not associated with the government, nor approved by the government or consumer's lender; (2) even if the consumer uses Defendants' service the consumer's lender may not agree to modify the loan; and (3) if Defendants tell a consumer to stop paying their mortgage, that the consumer could lose his or her home and damage his or her credit rating.

Defendants' Deceptive Sales Scheme

30. Consumers who respond to Defendants' marketing efforts have home mortgage loans, and typically are having difficulty making their monthly payments.

31. Consumers who call the toll-free numbers listed on the postcards or who receive outbound telemarketing calls speak with Defendants' telephone sales representatives.

32. In numerous instances, Defendants promise to obtain loan modifications that will substantially lower consumers' monthly mortgage payments or interest rates in exchange for an advance fee.

33. In numerous instances, Defendants lead consumers to believe that Defendants are affiliated with a government entity or that a government entity referred Defendants to the consumer. In some cases, Defendants represent that they are the government or that they are "sponsored" by a government grant and are thus affiliated with a government agency.

34. In numerous instances, Defendants tell consumers that Defendants have special expertise in modification with mortgage lenders and that they have proven prior success in obtaining loan modifications from the consumers' specific lenders.

35. In numerous instances, Defendants represent that Defendants will obtain a specific reduction in consumers' mortgage interest rates or payment amounts. In many cases, Defendants promise a specific rate reduction to 2%.

36. In numerous cases, Defendants claim they can prevent foreclosures or that the modification process will stay lenders' ability to foreclose. Defendants make such representations even to those consumers who inform Defendants that their lenders have previously denied modifications or sent foreclosure notices.

37. In numerous instances, Defendants discourage consumers from communicating directly with their lenders. Defendants tell consumers (including

1 consumers who receive foreclosure notices) not to contact their lenders and claim
2 Defendants will handle all communications with consumers' lenders.

3 38. In numerous instances, Defendants encourage consumers to stop making
4 mortgage payments, and in some instances tell consumers that delinquency will
5 demonstrate the consumers' hardship to the consumers' lenders. In those instances,
6 Defendants do not disclose that if consumers stop making mortgage payments they could
7 lose their home and damage their credit rating.

8 39. In numerous instances, Defendants tell consumers that Defendants are a law
9 firm or are affiliated with a law firm that specializes in obtaining loan modifications and
10 that this specialized knowledge and expertise will ensure Defendants' success in
11 obtaining loan modifications for consumers.

12 40. In numerous instances, typically in subsequent calls or emails, Defendants
13 introduce their Pre-Litigation Program to consumers. Defendants claim their "Pre-
14 Litigation Program" will provide homeowners with a detailed analysis of illegal conduct
15 engaged in by their particular lender to be used as leverage to improve the outcome of
16 negotiating a loan modification with the consumer's lender. In numerous instances
17 Defendants instruct consumers to sign a Pre-Litigation Agreement or a Fee Agreement
18 that states consumers' payment of an upfront fee is for Defendants' forensic audit
19 services.

20 41. Defendants generally charge a fee ranging from \$2,500 to \$4,500.
21 Defendants typically tell consumers that they must make the first payment, usually one-
22 third of Defendants' fee, before Defendants will begin to provide their services.

23 **Defendants' Websites**

24 42. Defendants maintain or have maintained numerous websites including:
25 reliefcouncil.org, thereliefnetwork.org, prelitlaw.com, resourcelawgroup.com,
26 resourcelawcenter.com, resourcelegalgroup.com, and nationallegalsource.com.
27 Defendants' websites permit consumers to submit personal information online to request

1 a call-back or submit an email address to subscribe to a newsletter. The websites indicate
2 that the businesses are located at the same address as the Gordon Law Firm.

3 43. In numerous instances, Defendants' websites fail to disclose that the entity is
4 not associated with the United States government and that their service is not approved
5 by the government or the consumer's lender.

6 44. In numerous instances, Defendants' websites fail to disclose that even if
7 consumers use the modification service, their lender may not agree to change their loan.

8 **Defendants Do Not Obtain the Promised Modification and**
9 **Cause Consumer Injury**

10 45. In numerous instances, Defendants fail to obtain a loan modification,
11 substantially reduce consumers' mortgage payments, or stop foreclosure.

12 46. In numerous instances, after consumers pay Defendants' requested advance
13 fees, Defendants fail to conduct forensic audits.

14 47. In numerous instances, after consumers have paid their fees, Defendants fail
15 to answer or return consumers' telephone calls and emails and fail to provide updates
16 about the status of Defendants' purported communications with lenders. When
17 consumers are able to reach Defendants, Defendants generally assure consumers that
18 Defendants are working with the consumers' lenders and that the lenders will not
19 foreclose on the consumers' homes while processing their applications for a loan
20 modification.

21 48. Consumers often encounter difficulty in obtaining requested refunds from
22 Defendants. In many instances, consumers only receive refunds after making complaints
23 to or threatening to complain to entities such as the Better Business Bureau, the State Bar
24 of California, or law enforcement authorities. In many instances, Defendants do not
25 provide any refund or refund an amount substantially less than consumers paid.

26 49. In numerous instances, consumers who paid Defendants' fees suffer
27 significant economic injury, including foreclosure and the loss of their properties.

1 **Role of Individual Defendant Gordon**

2 50. Defendant Gordon, acting individually or in concert with others, has
3 engaged in the offering or providing of mortgage assistance relief services. Gordon is the
4 sole owner of the Gordon Law Firm.

5 51. Defendant Gordon also personally registered numerous fictitious business
6 names used by Defendants to solicit consumers, including National Legal Source,
7 Resource Law Center, Resource Law Group, Resource Legal Group, Gordon &
8 Associates, The Law Offices of Chance E. Gordon, The Law Offices of C. Edward
9 Gordon, and The C.E.G. Law Firm.

10 52. Defendant Gordon registered and pays for website domains used by
11 Defendants to market their services, many of which use his fictitious business names.
12 Defendant Gordon also pays for telephone and facsimile numbers used to perpetrate the
13 scheme, and pays Defendants' telemarketer employees. He is the signatory on contracts
14 and fee agreements executed with many consumers. Defendant Gordon is also the
15 authorized signatory for the Gordon Law Firm bank accounts.

16 53. Defendant Gordon is licensed to practice law in the state of California only.

17 **Role of Individual Defendant Pessar**

18 54. Defendant Pessar, acting individually or in concert with others, has engaged
19 in the offering or providing of mortgage assistance relief services. Pessar is the sole
20 owner for Defendants Division One Investment, and Processing Division.

21 55. Defendant Pessar is the registrant and billing contact for website domains
22 used by Defendants to market their services. He is the account holder and pays for the
23 telephone numbers used by Defendants to conduct their telemarketing and pays
24 Defendants' telemarketer employees. He also pays for telephone and facsimile numbers
25 used by the Gordon Law Firm. Additionally, Defendant Pessar, on behalf of his
26 company Defendant Processing Division, registered the business name Qualification
27 Intake Department – the named entity on Defendants' postcards. Defendant Pessar is
28

1 also the authorized signatory for the Defendants Division One Investment and Processing
2 Division bank accounts.

3 **VIOLATIONS OF THE CFPA**

4 56. Sections 1031 and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531,
5 5536(a)(1)(B), prohibit covered persons from engaging “in any unfair, deceptive, or
6 abusive act or practice.” Section 1036(a)(3) of the CFPA, 12 U.S.C. § 5536(a)(3), further
7 prohibits any person from “knowingly or recklessly provid[ing] substantial assistance to a
8 covered person or service provider in violation of the provisions of section 1031 . . . and
9 notwithstanding any provision of [Title X], the provider of such substantial assistance
10 shall be deemed to be in violation of that section to the same extent as the person to
11 whom such assistance is provided.”

12 57. Defendants are “covered person[s]” and “service provider[s]” within the
13 meaning of the CFPA, 12 U.S.C. §§ 5481(6) and 5481(25).

14 **COUNT I**

15 58. In numerous instances, in connection with the offering or provision of
16 mortgage assistance relief services, Defendants, either acting alone or in concert with
17 others, represent, directly or indirectly, expressly or by implication, that consumers will
18 or likely will obtain mortgage loan modifications that substantially reduce consumers’
19 mortgage payments or interest rates, or help consumers avoid foreclosure.

20 59. In truth and in fact, Defendants generally do not obtain for consumers
21 mortgage loan modifications that substantially reduce consumers’ mortgage payments or
22 interest rates, and generally do not help consumers avoid foreclosure.

23 60. Therefore, Defendants’ representations as set forth in Paragraph 58 are false
24 and misleading and constitute a deceptive act or practice in violation of Sections 1031
25 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536.

1 **COUNT II**

2 61. In numerous instances, in connection with the offering or provision of
3 mortgage assistance relief services, Defendants, either acting alone or in concert with
4 others, represent, directly or indirectly, expressly or by implication, that consumers will
5 or likely will obtain mortgage loan modifications that substantially reduce consumers'
6 mortgage payments or interest rates as a result of a forensic audit provided by
7 Defendants.

8 62. In truth and in fact, Defendants generally do not obtain for consumers
9 mortgage loan modifications that will make consumers' mortgage payments substantially
10 more affordable as a result of a forensic audit provided by Defendants.

11 63. Therefore, Defendants' representations as set forth in Paragraph 61 are false
12 and misleading and constitute a deceptive act or practice in violation of Sections 1031
13 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536.

14 **COUNT III**

15 64. In numerous instances, in connection with the offering or provision of
16 mortgage assistance relief services, Defendants, either acting alone or in concert with
17 others, represent, directly or indirectly, expressly or by implication, that Defendants are
18 the United States government or are affiliated with, endorsed or approved by, or
19 otherwise associated with the United States government.

20 65. In truth and in fact, Defendants are not affiliated with, endorsed or approved
21 by, or otherwise associated with the United States government.

22 66. Therefore, Defendants' representations as set forth in Paragraph 64 are false
23 and misleading and constitute a deceptive act or practice in violation of Section 1036 of
24 the CFPA, 12 U.S.C. § 5536.

25 **REGULATION O**

26 67. In 2009, Congress directed the Federal Trade Commission ("FTC") to
27 prescribe rules prohibiting unfair or deceptive acts or practices with respect to mortgage
28

1 loans. 2009 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524,
2 678 (Mar. 11, 2009), as clarified by the Credit Card Accountability Responsibility and
3 Disclosure Act of 2009, Public Law 111-24, Section 511, 123 Stat. 1734, 1763-64 (May
4 22, 2009). Pursuant to that direction, the FTC promulgated the MARS Rule, 16 C.F.R.
5 Part 322, all but one of the provisions of which became effective on December 29, 2010.
6 The remaining provision, Section 322.5, became effective on January 31, 2011. The
7 CFPA § 1097, 12 U.S.C. § 5538, transferred rulemaking authority over the MARS Rule
8 to the Bureau, which recodified the Rule as 12 C.F.R. Part 1015, and designated it
9 “Regulation O.” The Bureau has authority to enforce Regulation O pursuant to the CFPA
10 § 1097 and § 1054, 12 U.S.C. §§ 5538, 5564.

11 68. Regulation O defines “mortgage assistance relief service” as “any service,
12 plan, or program, offered or provided to the consumer in exchange for consideration, that
13 is represented, expressly or by implication, to assist or attempt to assist the consumer
14 with . . . [n]egotiating, obtaining, or arranging a modification of any term of a dwelling
15 loan, including a reduction in the amount of interest, principal balance, monthly
16 payments, or fees” 16 C.F.R. § 322.2(i)(2), recodified as 12 C.F.R. § 1015.2. This
17 provision also encompasses “‘forensic audits’ and other services in which the provider
18 purports to review, and identify potential errors in, loan documents or documents sent by
19 a consumer’s lender or servicer in order to avert foreclosure or obtain concessions from
20 the lender or servicer.” Mortgage Assistance Relief Services; Final Rule, 75 Fed. Reg.
21 75, 100 n.110 (December 1, 2010) (discussion of Section 322.2 Definitions).

22 69. Regulation O defines “mortgage assistance relief service provider” as “any
23 person that provides, offers to provide, or arranges for others to provide, any mortgage
24 assistance relief service,” other than the dwelling loan holder, the servicer of a dwelling
25 loan, or any agent or contractor of such individual or entity. 16 C.F.R. § 322.2(j),
26 recodified as 12 C.F.R. § 1015.2.

1 70. Defendants are “mortgage assistance relief provider[s]” engaged in the
2 provision of “mortgage assistance relief services” as those terms are defined in
3 Regulation O. 16 C.F.R. § 322.2(j), recodified as 12 C.F.R. § 1015.2.

4 71. Regulation O prohibits any mortgage assistance relief service provider from
5 representing, expressly or by implication, that a consumer cannot or should not contact or
6 communicate with his or her lender or servicer. 16 C.F.R. § 322.3(a), recodified as 12
7 C.F.R. § 1015.3(a).

8 72. Regulation O prohibits any mortgage assistance relief service provider from
9 misrepresenting, expressly or by implication, the likelihood of negotiating, obtaining, or
10 arranging any represented service or result. 16 C.F.R. §§ 322.3(b)(1)-(2), recodified as
11 12 C.F.R. §§ 1015.3(b)(1)-(2).

12 73. Regulation O prohibits any mortgage assistance relief service provider from
13 failing to place a statement in every *general commercial communication* disclosing that
14 (i) the provider is not associated with the government and its service is not approved by
15 the government or any lender, and (ii) in cases where the provider has represented,
16 expressly or by implication, that consumers will receive certain services or results, a
17 statement disclosing that the lender may not agree to modify a loan, even if the consumer
18 uses the provider’s service. 16 C.F.R. §§ 322.4(a)(1)-(2), recodified as 12 C.F.R. §§
19 1015.4(a)(1)-(2).

20 74. Regulation O prohibits any mortgage assistance relief service provider from
21 failing to place a statement in every *consumer-specific commercial communication* (i)
22 confirming that the consumer may stop doing business with the provider or reject an offer
23 of mortgage assistance without having to pay for the services, (ii) disclosing that the
24 provider is not associated with the government and its service is not approved by the
25 government or any lender, and (iii) in cases where the provider has represented, expressly
26 or by implication, that consumers will receive certain services or results, disclosing that
27

1 the lender may not agree to modify a loan, even if the consumer uses the provider's
2 service. 16 C.F.R. §§ 322.4(b)(1)-(3), recodified as 12 C.F.R. §§ 1015.4(b)(1)-(3).

3 75. Regulation O prohibits any mortgage assistance relief service provider, in
4 cases where the provider has represented that the consumer should temporarily or
5 permanently discontinue payments on a dwelling loan, from failing to clearly and
6 prominently state in close proximity to any such representation that the consumer could
7 lose his or her home and damage his or her credit rating if the consumer stops paying the
8 mortgage. 16 C.F.R. § 322.4(c), recodified as 12 C.F.R. § 1015.4(c).

9 76. Regulation O prohibits any mortgage assistance relief service provider from
10 requesting or receiving payment of any fee or other consideration until the consumer has
11 executed a written agreement between the consumer and the consumer's loan holder or
12 servicer that incorporates the offer that the provider obtained from the loan holder or
13 servicer. 16 C.F.R. § 322.5(a), recodified as 12 C.F.R. § 1015.5(a).

14 77. Pursuant to the CFPA, § 1097, 12 U.S.C. § 5538, a violation of Regulation
15 O constitutes an unfair, deceptive, or abusive act or practice under the CFPA, in violation
16 of Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536.

17 **VIOLATIONS OF REGULATION O**

18 **COUNT IV**

19 78. In numerous instances, since the effective dates of the MARS Rule, in
20 connection with the offering or provision of mortgage assistance relief services,
21 Defendants, either acting alone or in concert with others, ask for or receive their payment
22 before consumers have executed a written agreement between the consumer and the loan
23 holder or servicer that incorporates the offer obtained by Defendants, in violation of
24 Regulation O, 16 C.F.R. § 322.5(a), recodified as 12 C.F.R. § 1015.5(a).

25 **COUNT V**

26 79. In numerous instances, since the effective dates of the MARS Rule, in
27 connection with the offering or provision of mortgage assistance relief services,

1 Defendants, either acting alone or in concert with others, fail to make the following
2 disclosures:

3 a. in all general commercial communications –

4 i. “[Name of Company] is not associated with the government, and
5 our service is not approved by the government or your lender,” in
6 violation of Regulation O, 16 C.F.R. § 322.4(a)(1), recodified as
7 12 C.F.R. § 1015.4(a)(1); and

8 ii. “Even if you accept this offer and use our service, your lender may
9 not agree to change your loan,” in violation of Regulation O, 16
10 C.F.R. § 322.4(a)(2), recodified as 12 C.F.R. § 1015.4(a)(2);

11 b. in all consumer-specific commercial communications –

12 i. “You may stop doing business with us at any time. You may
13 accept or reject the offer of mortgage assistance we obtain from
14 your lender [or servicer]. If you reject the offer, you do not have to
15 pay us. If you accept the offer, you will have to pay us [insert
16 amount or method for calculating the amount] for our services,” in
17 violation of Regulation O, 16 C.F.R. § 322.4(b)(1), recodified as
18 12 C.F.R. § 1015.4(b)(1);

19 ii. “[Name of company] is not associated with the government, and
20 our service is not approved by the government or your lender,” in
21 violation of Regulation O, 16 C.F.R. § 322.4(b)(2), recodified as
22 12 C.F.R. § 1015.4(b)(2); and

23 iii. “Even if you accept this offer and use our service, your lender may
24 not agree to change your loan,” in violation of Regulation O, 16
25 C.F.R. § 322.4(b)(3), recodified as 12 C.F.R. § 1015.4(b)(3); and

26 c. in all general commercial communications, consumer-specific
27 commercial communications, and other communications in cases where
28

1 Defendants have represented, expressly or by implication, in connection
2 with the advertising, marketing, promotion, offering for sale, sale, or
3 performance of any mortgage assistance relief service, that the consumer
4 should temporarily or permanently discontinue payments, in whole or in
5 part, on a dwelling loan, clearly and prominently, and in close proximity
6 to any such representation that “[i]f you stop paying your mortgage, you
7 could lose your home and damage your credit rating,” in violation of
8 Regulation O, 16 C.F.R. § 322.4(c), recodified as 12 C.F.R. § 1015.4(c).

9 **COUNT VI**

10 80. In numerous instances, since the effective dates of the MARS Rule, in
11 connection with the offering or provision of mortgage assistance relief services,
12 Defendants, either acting alone or in concert with others, represent, expressly or by
13 implication, that a consumer cannot or should not contact or communicate with his or her
14 lender or servicer, in violation of Regulation O, 16 C.F.R. § 322.3(a), recodified as 12
15 C.F.R. § 1015.3(a).

16 **COUNT VII**

17 81. In numerous instances, since the effective dates of the MARS Rule, in
18 connection with the offering or provision of mortgage assistance relief services,
19 Defendants, either acting alone or in concert with others, misrepresent, expressly or by
20 implication, material aspects of their services, including, but not limited to:

- 21 a. Defendants’ likelihood of obtaining a modification of mortgage loans for
22 consumers that will substantially reduce consumers’ mortgage payments,
23 in violation of Regulation O, 16 C.F.R. § 322.3(b)(1), recodified as 12
24 C.F.R. § 1015.3(b)(1);
- 25 b. Defendants’ likelihood of obtaining a modification of mortgage loan for
26 consumers that will substantially reduce consumers’ mortgage payments
27 as a result of a forensic audit provided by Defendants, in violation of

1 Regulation O, 16 C.F.R. § 322.3(b)(1), recodified as 12 C.F.R. §
 2 1015.3(b)(1); and

- 3 c. Defendants' affiliation with, endorsement or approval by, or otherwise
 4 association with the United States government, a governmental
 5 homeowner assistance plan, or any Federal, State, or local governmental
 6 agency, unit, or department, in violation of Regulation O, 16 C.F.R. §
 7 322.3(b)(3)(i), (ii), and (iii), recodified as 12 C.F.R. §§ 1015.3(b)(3)(i),
 8 (ii), and (iii).

9 **CONSUMER INJURY**

10 82. Consumers have suffered and will continue to suffer substantial injury as a
 11 result of Defendants' violations of the CFPA and Regulation O. In addition, Defendants
 12 have been unjustly enriched as a result of their unlawful acts or practices. Absent
 13 injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap
 14 unjust enrichment, and harm the public interest.

15 **THIS COURT'S POWER TO GRANT RELIEF**

16 83. The CFPA empowers this Court to grant any appropriate equitable relief
 17 including, without limitation, permanent or temporary injunction, rescission or
 18 reformation of contracts, the refund of moneys paid, restitution, disgorgement or
 19 compensation for unjust enrichment, and monetary relief, to prevent and remedy any
 20 violation of any provision of law enforced by the Bureau. 12 U.S.C. §§ 5538(a) and
 21 5565(a).

22 **PRAYER FOR RELIEF**

23 84. Wherefore, Plaintiff Consumer Financial Protection Bureau, pursuant to
 24 Sections 1054 and 1055 of the CFPA, 12 U.S.C. §§ 5564 and 5565, and the Court's own
 25 equitable powers, requests that the Court:

- 26 a. Award Plaintiff such preliminary injunctive and ancillary relief as may be
 27 necessary to avert the likelihood of consumer injury during the pendency

1 of this action, and to preserve the possibility of effective final relief,
2 including but not limited to a temporary restraining order, a preliminary
3 injunction, an order freezing assets, immediate access, and appointment
4 of a receiver;

- 5 b. Enter a permanent injunction to prevent future violations of the CFPA
6 and Regulation O by Defendants;
- 7 c. Award such relief as the Court finds necessary to redress injury to
8 consumers resulting from Defendants' violations of the CFPA and
9 Regulation O, including but not limited to rescission or reformation of
10 contracts, the refund of moneys paid, restitution, and disgorgement or
11 compensation for unjust enrichment; and
- 12 d. Award Plaintiff the costs of bringing this action, as well as such other and
13 additional relief as the Court may determine to be just and proper.

14
15 Dated: July 17, 2012

Respectfully Submitted,

16
17 Kent Markus
18 Enforcement Director



19 Laura Schneider
20 (Phone: 202-435-7311)
21 (Email: Laura.Schneider@cfpb.gov)
22 Crystal R. Sumner
23 (Phone: 202-435-7549)
24 (Email: Crystal.Sumner@cfpb.gov)
25 Carmen L. Christopher
26 (Email: Carmen.Christopher@cfpb.gov)
27 Consumer Financial Protection Bureau
28 1700 G Street NW
Washington, DC 20552
Fax: 202-435-7722

Attorneys for Plaintiff
Consumer Financial Protection Bureau

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Ronald S. W. Lew and the assigned discovery Magistrate Judge is Michael Wilner.

The case number on all documents filed with the Court should read as follows:

CV12- 6147 RSWL (MRWx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

=====

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

☒ **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

☐ **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

☐ **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

I (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/> Consumer Financial Protection Bureau	DEFENDANTS Chance Edward Gordon, an individual, and also d/b/a Gordon & Associates, The Law Offices of Chance E. Gordon, The Law Offices of C. Edward Gordon (Full List on Attached Page)
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) Laura Schneider, Crystal Sumner, Carmen Christopher - CFPB Enforcement 1700 G Street, N.W., Washington, D.C. 20552 (202) 435-7311; (202) 435-7549; (202) 435-7722 (fax)	Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.) <input checked="" type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%; border: none;"> <tr> <td style="width:30%; border: none;">Citizen of This State</td> <td style="width:10%; border: none; text-align: center;">PTF</td> <td style="width:10%; border: none; text-align: center;">DEF</td> <td style="width:30%; border: none;">Incorporated or Principal Place of Business in this State</td> <td style="width:10%; border: none; text-align: center;">PTF</td> <td style="width:10%; border: none; text-align: center;">DEF</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none; text-align: center;"><input type="checkbox"/> 1</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 1</td> <td style="border: none;"></td> <td style="border: none; text-align: center;"><input type="checkbox"/> 4</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 4</td> </tr> <tr> <td style="border: none;">Citizen of Another State</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 2</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 2</td> <td style="border: none;">Incorporated and Principal Place of Business in Another State</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 5</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 5</td> </tr> <tr> <td style="border: none;">Citizen or Subject of a Foreign Country</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 3</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 3</td> <td style="border: none;">Foreign Nation</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 6</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF	DEF	Incorporated or Principal Place of Business in this State	PTF	DEF		<input type="checkbox"/> 1	<input type="checkbox"/> 1		<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
Citizen of This State	PTF	DEF	Incorporated or Principal Place of Business in this State	PTF	DEF																				
	<input type="checkbox"/> 1	<input type="checkbox"/> 1		<input type="checkbox"/> 4	<input type="checkbox"/> 4																				
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5																				
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. ORIGIN (Place an X in one box only.)

☒ 1 Original Proceeding
 ☐ 2 Removed from State Court
 ☐ 3 Remanded from Appellate Court
 ☐ 4 Reinstated or Reopened
 ☐ 5 Transferred from another district (specify):
 ☐ 6 Multi-District Litigation
 ☐ 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: ☐ Yes ☒ No (Check 'Yes' only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: ☐ Yes ☒ No
 MONEY DEMANDED IN COMPLAINT: \$ TBD - restitution, disgorgement

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
 Complaint alleges violations of Federal consumer financial laws. 12 U.S.C. §§ 5531(a), 5536(a), 5564, and 5565, and 16 C.F.R. Part 322, recodified as 12 C.F.R. Part 1015.

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES	CONTRACT	TORTS	TORTS	PRISONER	LABOR
<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes	<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus-Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 Habeas Corpus General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition FORFEITURE/PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609

CV12-06147

FOR OFFICE USE ONLY: Case Number: _____

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? ☒ No ☐ Yes
 If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? ☒ No ☐ Yes
 If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

(Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or
☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) ☒ List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.
☒ Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.
☐ Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.
Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER): _____ Date 7/17/12

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

Defendants:

Chance Edward Gordon, an individual, and also d/b/a Gordon & Associates, The Law Offices of Chance E. Gordon, The Law Offices of C. Edward Gordon, The C.E.G. Law Firm, National Legal Source, Resource Law Center, Resource Law Group, and Resource Legal Group;

The Gordon Law Firm, P.C., a professional corporation;

Abraham Michael Pessar, an individual;

Division One Investment and Loan, Inc., a corporation, and also d/b/a Division One Business Solutions, D1 Companies, Division One, Division 1, Home Savers National, D1 Marketing Solutions, and Relief Council; and

Processing Division, L.L.C., a limited liability company, and also d/b/a Qualification Intake Department, Division One, The Relief Network, and Relief Network.