

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Attorney for Plaintiffs

By: Nicholas Kant
Deputy Attorney General
(973) 648-4584

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION, CAMDEN COUNTY
DOCKET NO. CAM-C-_____

ANNE MILGRAM, Attorney General of the State
of New Jersey, and DAVID M. SZUCHMAN,
Director of the New Jersey Division of Consumer
Affairs,

Plaintiffs,

v.

HOPE NOW FINANCIAL SERVICES CORP.
d/b/a HOPE NOW MODIFICATIONS; HOPE
NOW MODIFICATIONS, L.L.C.; JANE and
JOHN DOES 1-10, individually and as owners,
officers, directors, shareholders, founders,
managers, agents, servants, employees,
representatives and/or independent contractors of
HOPE NOW FINANCIAL SERVICES CORP.
d/b/a HOPE NOW MODIFICATIONS and/or
HOPE NOW MODIFICATIONS, L.L.C.; and
XYZ CORPORATIONS 1-10,

Defendants.

Civil Action

VERIFIED COMPLAINT

Plaintiffs Anne Milgram, Attorney General of the State of New Jersey ("Attorney General"),
with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and David M. Szuchman,

Director of the New Jersey Division of Consumer Affairs ("Director"), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of Verified Complaint state:

PRELIMINARY STATEMENT

1. The troubled state of the economy has created considerable financial hardship for consumers. Job losses and stagnant wages, when coupled with a higher cost of living, have left many consumers and their families deep in debt and unable to make their monthly mortgage payments. In desperation, consumers facing the imminent prospect of foreclosure of their homes seek assistance from companies that represent that they can prevent foreclosures, among other things, through mortgage loan modification programs.

2. Hope Now Alliance ("Hope Now"), an alliance between mortgage counselors, mortgage companies, investors and other mortgage market participants was formed in October 2007 as part of the Bush Administration's foreclosure prevention initiative. Hope Now obtained the agreement of lenders and loan servicers to abide by uniform guidelines for foreclosure-avoidance steps, including loan modifications, repayment plans and temporary suspension of payments. Through its website and toll-free telephone number, Hope Now provides resources and assistance to homeowners, which includes free credit counseling with counselors approved by the United States Department of Housing and Urban Development ("HUD").

3. At least as of December 2008, Hope Now Financial Services Corp. d/b/a Hope Now Modifications ("Hope Now Financial Services") and/or Hope Now Modifications, L.L.C. ("Hope Now Modifications") (collectively, "Defendants"), have advertised and offered mortgage loan modification services to consumers in the State of New Jersey ("State" or "New Jersey") and elsewhere, through their website and toll-free telephone number. In so doing, Defendants have

engaged in deceptive conduct, among other things, by misrepresenting and passing themselves off as being affiliated with Hope Now, despite the absence of any such affiliation. Additionally, Defendants have charged consumers up-front fees totaling several thousand dollars for loan modification services, then failed to take any action on the consumers' behalf. Defendants' failure to act has had dire consequences, in that consumers fell further behind on their mortgage payments, making the threat of foreclosure more imminent. Moreover, once consumers realize that Defendants have provided none of the contracted-for loan modification assistance, they request refunds, which Defendants fail to provide.

4. Defendants' deceptive conduct constitutes multiple violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq. ("Advertising Regulations"), as well as the Debt Adjustment and Credit Counseling Act, N.J.S.A. 17:16G-1 et seq. The Attorney General and Director (collectively, "Plaintiffs") submit this Verified Complaint in connection with an Order to Show Cause seeking temporary, preliminary and ultimately permanent injunctive relief, as well as other equitable relief, including the appointment of a receiver, to prevent any more consumers from being victimized by Defendants' deceptive practices.

JURISDICTION AND PARTIES

5. The Attorney General is charged with the responsibility of enforcing the CFA, N.J.S.A. 56:8-1 et seq., and the regulations promulgated thereunder ("CFA Regulations"), N.J.A.C. 13:45A-1.1 et seq., including the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq. The Director is charged with the responsibility of administering the CFA and the CFA Regulations on behalf of the Attorney General.

6. By this action, Plaintiffs seek injunctive and other relief for violations of the CFA and the CFA Regulations. Plaintiffs bring this action pursuant to their authority under the CFA, specifically N.J.S.A. 56:8-8, 56:8-11, 56:8-13 and 56:8-19. Venue is proper in Camden County, pursuant to R. 4:3-2, because it is a county in which Defendants have maintained their principal business address and otherwise conducted business.

7. Defendant Hope Now Financial Services is a Domestic Profit Corporation established in New Jersey on January 12, 2009. Upon information and belief, at all relevant times, Hope Now Financial Services has maintained a business and mailing address of 200 Lake Drive East, Suite 200, Cherry Hill, New Jersey 08002. Hope Now Financial Services' registered agent in the State is Salvatore A. Puglia, Sr., who maintains a mailing address of 200 Lake Drive East, Suite 200, Cherry Hill, New Jersey 08002.

8. Defendant Hope Now Modifications is a Domestic Limited Liability Company established in New Jersey on August 27, 2008. Upon information and belief, at all relevant times Hope Now Modifications has maintained a business and mailing address of 200 Lake Drive East, Suite 200, Cherry Hill, New Jersey 08002. Hope Now Modifications' registered agent in the State is Salvatore A. Puglia, Sr., who maintains a mailing address of 26 Lamson Lane, Sewell, New Jersey 08080.

9. Upon information and belief, John and Jane Does 1 through 10 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors of Hope Now Financial Services and/or Hope Now Modifications who have been involved in the conduct that gives rise to

this Verified Complaint, but are heretofore unknown to the Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Verified Complaint to include them.

10. Upon information and belief, XYZ Corporations 1 through 10 are fictitious corporations meant to represent any additional corporations that have been involved in the conduct that gives rise to this Verified Complaint, but are heretofore unknown to the Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Verified Complaint to include them.

11. Hope Now Financial Services and Hope Now Modifications are collectively referred to as "Defendants."

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

A. Hope Now:

12. Hope Now is a 501(c)(3) non-profit corporation that was created at the urging and behest of the United States Government, specifically then-Secretary of the Treasury Henry M. Paulson, Jr. and HUD to develop a program to assist at-risk homeowners to modify their mortgages and avoid foreclosure of their homes.

13. Hope Now is an alliance between HUD-approved counselors (i.e. NeighborWorks America and The Housing Partnership Network), mortgage companies/loan servicers (i.e. Wachovia and Bank of America), trade associations (e.g. Mortgage Bankers Association and American Bankers Association), investors (e.g. Fannie Mae and Freddie Mac), mortgage insurance companies (e.g. State Farm Insurance and Mortgage Guaranty Insurance Corporation) and mortgage market participants (e.g. Mortgage Electronic Registration Systems).

14. The mission of Hope Now is to maximize outreach efforts to homeowners in distress to help them avoid the foreclosure of their homes. Such outreach efforts include: (a) organized

events featuring the Federal Reserve Bank, loan servicers, and non-profit HUD-approved mortgage counselors; (b) direct-mail campaigns on Hope Now letterhead to homeowners nationwide who are 60 days or more late on their mortgage payments; (c) televised public service announcements featuring the Hope Now name and/or toll-free telephone number (1-888-895-HOPE) for foreclosure-prevention counseling; and (d) posting of information through the Hope Now website, www.hopenow.com. In general, Hope Now's outreach campaign is nationwide, including, New Jersey, Pennsylvania, Florida, Missouri, Michigan, Georgia, Nevada, California, and Illinois.

15. Through Hope Now's toll-free telephone number, consumers can reach HUD-certified mortgage counselors 24 hours a day, 7 days a week. The counselors provide free counseling as to foreclosure prevention, but ultimately homeowners are instructed to call their loan servicers themselves and pursue "loan workouts," which typically result in either a repayment plan or a mortgage modification. Repayment plans defer or reschedule payments, while mortgage modifications permanently alter one or more terms of the original loan contract.

16. There are no charges associated with any of the assistance Hope Now provides to consumers.

**B. Defendants' Advertisement And
Operation Of Their Loan Modification Business:**

17. Upon information and belief, since at least November 2008, Defendants have engaged in the advertisement and sale of merchandise to consumers in this State and elsewhere, including, but not limited to, pre-foreclosure loan modification assistance. Upon information and belief,

Defendants charge consumers up-front fees, totaling several thousand dollars, to provide such assistance.

18. At least as of early December 2008, Hope Now Financial Services and/or Hope Now Modifications have advertised and offered for sale their services through a website, www.hopenowmod.com ("Hope Now Modifications Website") and a toll-free telephone number, "1-877-HOPE-364."

19. On December 4, 2008, the title of the Hope Now Modifications Website was "Hope Now Modifications" ("December 4 Hope Now Modifications Website"). Likewise, the December 4 Hope Now Modifications Website referenced the business name of "Hope Now Modifications."

20. The homepage of the December 4 Hope Now Modifications Website stated "We Stop Foreclosure In Its Tracks!" and included the following statement:

A Loan Modification from Hope Now Modifications is a great solution for a borrower who wants to stay in their property, but can't afford the payment to adjust upward, or can't quite afford the current mortgage payment. In that situation, a mortgage pay rate reduction down to current market (5.25%) is an ideal solution because it will lower the monthly mortgage payment to a manageable amount. Loan Modification is also a solution when the payment has not been made for a while, but the borrower can now afford to start making payments again.

....

As an alternative to a mortgage pay rate reduction, if you are unable to make payments at the current rate, Hope Now Modifications will negotiate with your lender to extend your loan for a longer period of time, modifying the loan amount to a more affordable level.

21. The December 4 Hope Now Modifications Website included a "Press Room" page which included a 50-second video excerpt from President George W. Bush's 2008 State of the Union.

speech in which he states that his administration brought together Hope Now ("President Bush Address").

22. The "Press Room" page of the December 4 Hope Now Modifications Website also included the following: (a) a link to www.ustreas.gov/press/releases/hp599.htm, a "Statement by Secretary Henry M. Paulson, Jr. on Announcement of New Private Sector Alliance - HOPE NOW" ("Secretary Paulson Statement"); (b) a link to www.whitehouse.gov/news/releases/2007/12/20071206-7.html, a White House press release about Hope Now; (c) a link to money.cnn.com/2008/03/03/real_estate/Hope_Now_helps_million/index.htm, a CNNMoney.com article about Hope Now entitled "Hope Now: We've helped 1M home owners" and a link to money.cnn.com/2008/10/27/real_estate/Hope_Now_rises_in_September/index.htm?postversion=2008102720, a CNNMoney.com article about Hope Now entitled "212,000 borrowers avoid foreclosure in Sept." (collectively, "CNNMoney.com Articles"); and (d) a link to www.usatoday.com/money/economy/housing/2008-06-16-foreclosure-help_N.htm, a USA Today article about Hope Now entitled "Hope Now tries to speed home foreclosure aid process" ("USA Today Article").

23. Each page of the December 4 Hope Now Modifications Website included the telephone number "1-877-HOPE-364" as well as the term "EQUAL HOUSING LENDER" and the corresponding Equal Housing Lender logo.

24. As of January 29, 2009, the title of the Hope Now Modifications Website was "Hope Now Financial Services Corp." ("January 29 Hope Now Modifications Website"). Likewise, the

January 29 Hope Now Modifications Website referenced the business name of "Hope Now Financial Services Corp."

25. The text on the homepage of the January 29 Hope Now Modifications Website had also been changed to including the following statements:

TOO MANY BILLS TO PAY?

Our team of modification professionals are here to help you now!"

....

Hope Now Financial Services Corp. supports law firms in their efforts to keep borrowers in their homes, but can't afford the payment to adjust upward, or can't quite afford the current mortgage payment. In that situation, a mortgage pay rate reduction down to current market (5.25%) is an ideal solution because it will lower the monthly mortgage payment to a manageable amount. Loan Modification is also a solution when the payment has not been made for a while, but the borrower can new afford to start making payments again.

....

As an alternative to a mortgage pay rate reduction, if you are unable to make payments at the current rate, Experienced attorneys with the support of Hope Now Financial Services Corp. will attempt to negotiate with your lender to extend your loan for a longer period of time, modifying the loan amount to a more affordable level.

26. The January 29 Hope Modifications Now Website as well as the Hope Now Modifications Websites accessed on February 5, 2009 ("February 5 Hope Now Modifications Website") and on March 3, 2009 ("March 3 Hope Now Modifications Website") included on the "Press Room" page Secretary Paulson's Statement, the CNNMoney.com Articles and the USA Today Article. The January 29 Hope Modifications Now Website and the February 5 Hope Now

Modifications Websites included the video excerpts from the President Bush Address concerning Hope Now.

27. Each page of the January 29 Hope Modifications Now Website, the February 5 Hope Now Modifications Website and the March 3 Hope Now Modifications Website also included the "1-877-HOPE-364" telephone number at the top of each page, and the "EQUAL HOUSING LENDER" words and logo.

28. On December 4, 2008, January 29, 2009, February 5, 2009, and March 3, 2009, the Hope Now Modifications Website provided as follows:

We may be able to help you stay in your home if you live in one of the following states: Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming.

29. Neither Hope Now Financial Services nor Hope Now Modifications is affiliated with Hope Now in any way.

30. Hope Now has received multiple consumer inquiries and complaints regarding Defendants, which has led Hope Now to be concerned that Defendants are trading on the Hope Now name and diverting consumers from free mortgage assistance to for-profit, mandatory fee programs.

31. Time and time again, consumers who contracted with Defendants for loan modification assistance were required to make up-front payments ranging from several hundred to several thousand dollars.

32. Upon Defendants' failure to provide the contracted-for mortgage loan modification assistance, they refused to provide consumers with refunds.

COUNT I

VIOLATION OF THE CFA BY DEFENDANTS **(UNCONSCIONABLE COMMERCIAL PRACTICES AND DECEPTION)**

33. Plaintiffs repeat and reallege the allegations contained in Paragraphs 1 through 32 above as if more fully set forth herein.

34. The CFA, N.J.S.A. 56:8-2, prohibits:

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing [] concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise....

35. The CFA defines "merchandise" as including "any objects, wares, goods, commodities, services or anything offered, directly or indirectly to the public for sale." N.J.S.A. 56:8-1(c).

36. The CFA defines "person" as including "any natural person or his legal representative, partnership, corporation, company, trust, business entity or association, and any agent, employee, salesman, partner, officer, director, member, stockholder, associate, trustee or cestius que trustent thereof." N.J.S.A. 56:8-1(c).

37. Defendants are "persons" as defined by the CFA and have sold "merchandise" as defined by the CFA.

38. In their advertisement, solicitation and sale of pre-foreclosure loan modification assistance, Defendants have engaged in unconscionable commercial practices and deception in leading consumers to believe that they are affiliated with or are in fact Hope Now, including, but not limited to, the following:

- a. Use of the name "Hope Now Financial Services" which is easily confused with the name "Hope Now";
- b. Use of the name "Hope Now Modifications" which is easily confused with the name "Hope Now";
- c. Use of an website "www.hopenowmod.com" which is easily confused with the Hope Now website, "www.hopenow.com";
- d. Use of a toll-free telephone number "1-877-HOPE-364" which is easily confused with the toll-free telephone number of Hope Now "1-888-995-HOPE";
- e. Inclusion in the Hope Now Modifications Website of excerpt from the President Bush Address concerning Hope Now;
- f. Inclusion in the Hope Now Modifications Website of a link to www.ustreas.gov/press/releases/hp599.htm, which is the Secretary Paulson Statement concerning Hope Now;
- g. Inclusion in the Hope Now Modifications Website of links to a White House press release about Hope Now;
- h. Inclusion in the Hope Now Modifications Website of a link to a CNNMoney.com article about Hope Now titled "Hope Now: We've helped 1M home owners";

- i. Inclusion in the Hope Now Modifications Website of a link to a CNNMoney.com article about Hope Now titled "212,000 borrowers avoid foreclosure in Sept.";
- j. Inclusion in the Hope Now Modifications Website of a link to a USA Today article about Hope Now titled "Hope Now tries to speed home foreclosure aid process";
- k. Forwarding to consumers a package of materials that includes a "Mission Statement" that is verbatim, word-for-word identical to the "Alliance Statement" that appears on the Hope Now Website;
- l. Answering calls made to the toll-free telephone number on the Hope Now Modifications Website with the statement "Hope Now";
- k. Telling consumers that Hope Now Modifications is working with the United States government; and
- m. Inclusion in emails to consumers the terms "Hope Now Alliance," "Hope Now Counselor," "Hope Now Modification Counselor" and/or "Hope Now Loan Modification Counselor."

39. In their advertisement and sale of pre-foreclosure loan modification assistance, Defendants have engaged in further unconscionable commercial practices including, but not limited to, the following:

- a. Accepting payment from consumers and then failing to provide consumers with the contracted-for loan modification assistance;
- b. Failing to provide consumers with refunds when Defendants failed to provide the contracted-for loan modification assistance; and
- c. Failing to respond to consumer complaints, inquiries and/or request for refunds in a timely manner or at all.

40. Defendants' conduct constitutes multiple unconscionable commercial practices and acts of deception in violation of the CFA, N.J.S.A. 56:8-2.

COUNT II

VIOLATION OF THE CFA BY DEFENDANTS (FALSE PROMISES AND MISREPRESENTATIONS)

41. Plaintiffs repeat and reallege the allegations contained in Paragraphs 1 through 40 above as if more fully set forth herein.

42. In the operation of their business, Defendants have made false promises and/or misrepresentations concerning their alleged affiliation with Hope Now, including, but not limited to:

- a. Telling a consumer that the company was the same Hope Now that the consumer had seen covered on a television network news show;
- b. Telling a consumer that Hope Now Modifications was a mortgage modification company that was set up by the United States Government and specifically dealt with cases for both the United States Government and HUD;
- c. Telling a consumer that the United States Government was cracking down on companies posing as affiliates of the real Hope Now program and that Hope Now Modifications would soon be only one of five companies allowed to conduct this type of business; and
- d. Telling a consumer that Hope Now Modifications is a non-profit organization affiliated with the federally-backed Hope Now program started by President Bush.

43. In their advertisement and sale of pre-foreclosure loan modification assistance, Defendants have engaged in further false promises and misrepresentations including, but not limited to, the following:

- a. Promising to modify a consumer's mortgage and then failing to do so; and
- b. Promising to refund a consumer's payment and then failing to do so.

44. Defendants' conduct constitutes multiple false promises and misrepresentations in violation of the CFA, N.J.S.A. 56:8-2.

COUNT III

VIOLATION OF THE DEBT ADJUSTMENT AND CREDIT COUNSELING ACT BY DEFENDANTS

45. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 44 above as if more fully set forth herein.

46. The Debt Adjustment and Credit Counseling Act, N.J.S.A. 17:16G-1 et seq., governs the operation of companies that hold themselves out to the public as consumer credit counseling agencies and/or debt adjusters and provides in relevant part:

- a. "Nonprofit social service agency" or nonprofit consumer credit counseling agency" means any corporation duly organized under Title 15 of the Revised Statutes or Title 15A of the New Jersey Statutes, no part of the assets, income or profit of which is distributable to, or enures to the benefit of its members, directors or officers, except to the extent permitted under this act, and which is engaged in debt adjustment.

- b. "Credit counseling" means any guidance or educational program or advice offered by a nonprofit social service agency or nonprofit consumer credit counseling agency for the purpose of fostering the responsible use of credit and debt management.
- c. (1) "Debt adjuster" means a person who either (a) acts or offers to act for consideration as an intermediary between a debtor and his creditors for the purpose of settling, compounding, or otherwise altering the terms of payment of any debts of the debtor, or (b) who, to that end, receives money or other property from the debtor, or on behalf of the debtor, for payment to, or distribution among, the creditors of the debtor.

...

[N.J.S.A. 17:16G-1.]

47. Additionally, N.J.S.A. 17:16G-2 provides in pertinent part the following:

- a. no person other than a non profit social service agency or a nonprofit consumer credit counseling agency shall act as a debt adjuster.
- b. it shall be unlawful for any non profit social service agency or nonprofit consumer credit counseling agency to act as a debt adjuster without first obtaining a license from the Commissioner of the Department of Banking pursuant to this act.
- c. A licensee is authorized to offer credit counseling.

[N.J.S.A. 17:16G-2.]

48. Since at least November 2008, Defendants have held themselves out to the public as a "debt adjuster" within the meaning of N.J.S.A. 17:16G-1.

49. In the establishment of its business, Hope Now Financial Services has incorporated in New Jersey as a Domestic for Profit Corporations and has proceeded to operate as a for-profit business in the State.

50. In the establishment of its business, Hope Now Modifications was established in New Jersey as a Domestic Limited Liability Company and has proceeded to operate as a for-profit business in the State with a stated purpose of real estate.

51. In the operation of their business, Defendants have offered for sale and/or sold to the public debt adjuster services to the public for substantial consideration.

52. Defendants' conduct constitutes a violation of N.J.S.A. 17:16G-2(a) and N.J.S.A. 17:16G-2(b), which constitutes a violation of the CFA, N.J.S.A. 56:8-2.

COUNT III

VIOLATION OF THE ADVERTISING REGULATIONS BY DEFENDANTS

53. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 52 above as if more fully set forth herein.

54. The Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., promulgated pursuant to the CFA, among other things, govern general advertising practices.

55. Specifically, the Advertising Regulations provide, in pertinent part:

- (a) Without limiting the application of N.J.S.A. 56:8-1 et seq., the following practices shall be unlawful with respect to all advertisements:

....

9. The making of false or misleading representations concerning the reasons for, existence or amounts of price reductions, the nature of an offering or the quantity of advertised merchandise available for sale.

[N.J.A.C. 13:45A-9.2(a)(9).]

56. The Advertising Regulations state that:

“Advertisement” means any attempt by an advertiser, other than by use of a price tag, catalog or any offering for the sale of a motor vehicle subject to the requirements of N.J.A.C. 13:45A-26A, to directly or indirectly induce the purchase or rental of merchandise at retail, appearing in any newspaper, magazine, periodical, circular, in-store or out-of-store sign or other written matter placed before the consuming public, or in any radio broadcast, television broadcast, electronic medium or delivered to or through any computer.

[N.J.A.C. 13:45A-9.1.]

57. The Advertising Regulations define “Advertiser” as “any person as defined by N.J.S.A. 56:8-1(d) who in the ordinary course of business is engaged in the sale or rental of merchandise at retail and who placed, either directly or through an advertising agency, and advertisement before the public.” N.J.A.C. 13:45A-9.1.

58. Defendants are advertisers and have placed advertisements before the public including, but not limited to, the Hope Now Modifications Website.

59. In their advertisement of pre-foreclosure loan modification assistance, Defendants have violated the Advertising Regulations by making false and/or misleading representations that mislead consumers to believe that they are affiliated with or are in fact Hope Now.

60. Defendants’ violations of the Advertising Regulation include, but are not limited to, the following:

- a. Use of the name "Hope Now Financial Services" which is easily confused with the name "Hope Now";
- b. Use of the name "Hope Now Modifications" which is easily confused with the name "Hope Now";
- c. Use of an website "www.hopenowmod.com" which is easily confused with the Hope Now website, "www.hopenow.com";
- d. Use of a toll-free telephone number "1-877-HOPE-364" which is easily confused with the toll-free telephone number of Hope Now "1-888-995-HOPE";
- e. Inclusion in the Hope Now Modifications Website of excerpt from the President Bush Address concerning Hope Now;
- f. Inclusion in the Hope Now Modifications Website of a link to www.ustreas.gov/press/releases/hp599.htm, which is the Secretary Paulson Statement concerning Hope Now;
- g. Inclusion in the Hope Now Modifications Website of links to a White House press release about Hope Now;
- h. Inclusion in the Hope Now Modifications Website of a link to a CNNMoney.com article about Hope Now titled "Hope Now: We've helped 1M home owners";
- i. Inclusion in the Hope Now Modifications Website of a link to a CNNMoney.com article about Hope Now titled "212,000 borrowers avoid foreclosure in Sept."; and
- j. Inclusion in the Hope Now Modifications Website of a link to a USA Today article about Hope Now titled "Hope Now tries to speed home foreclosure aid process."

61. Each violation of the Advertising Regulations by Defendants constitutes a per se violation of the CFA, N.J.S.A. 56:8-2.

PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing allegations, Plaintiffs respectfully request that the Court enter judgment against Defendants:

- (a) Finding that the acts and omissions of Defendants constitute multiple instances of unlawful practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., and the regulations promulgated thereunder, specifically the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., and the Debt Adjustment and Credit Counseling Act, N.J.S.A. 17:16G-1 et seq.;
- (b) Temporarily, preliminarily, and permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives, independent contractors and all other persons or entities directly under their control, from engaging in, continuing to engage in, or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., and the regulations promulgated thereunder, specifically the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., and the Debt Adjustment and Credit Counseling Act, N.J.S.A. 17:16G-1 et seq., including, but not limited to, the acts and practices alleged in this Verified Complaint and the activity that is the subject of Plaintiffs' request for temporary and preliminary injunctive relief, as set forth in the accompanying Order to Show Cause with Temporary Restraints Pursuant to Rule 4:52;
- (c) Freezing all assets of Defendants and preventing Defendants from engaging in any act of disposition of those assets, in accordance with N.J.S.A. 56:8-8;
- (d) Appointing a Receiver in accordance with N.J.S.A. 56:8-8 and 56:8-9 to assume control over the assets of the Defendant, render a full accounting and thereafter sell and/or convey such assets under the direction of the Court in order to restore any person who has suffered damages, whether named in the Verified Complaint or not, as a result of the unlawful acts of the Defendants;


- (e) Directing the assessment of restitution amounts against Defendants, jointly and severally, to restore to any affected person, whether or not named in this Verified Complaint, any money or real or personal property acquired by means of any alleged practice herein to be unlawful and found to be unlawful, as authorized by the CFA, N.J.S.A. 56:8-8;
- (f) Assessing the maximum statutory civil penalties against Defendants, jointly and severally, for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;
- (g) Directing the assessment of costs and fees, including attorneys' fees, against Defendants, jointly and severally, for the use of the State of New Jersey, as authorized by the CFA, N.J.S.A. 56: 8-11 and N.J.S.A. 56:8-19; and

- (h) Granting such other relief as the interests of justice may require.

ANNE MILGRAM

ATTORNEY GENERAL OF NEW JERSEY

Attorney for Plaintiffs

By: 

Nicholas Kant

Deputy Attorney General

Dated: March 5, 2009

Newark, New Jersey

RULE 4:5-1 CERTIFICATION

I certify, to the best of my information and belief, that the matter in controversy in this action involving the aforementioned violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq., is not the subject of any other action pending in any other court of this State. I am aware that private contract and other actions have been brought against the Defendants, but have no direct information that any such actions involve consumer fraud allegations. I further certify that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action at this time.

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 

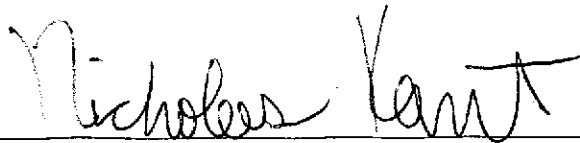
Nicholas Kant
Deputy Attorney General

Dated: March 5, 2009
Newark, New Jersey

DESIGNATION OF TRIAL COUNSEL

Pursuant to R. 4:25-4, Deputy Attorney General Nicholas Kant is hereby designated as trial counsel on behalf of Plaintiffs in this action.

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 

Nicholas Kant

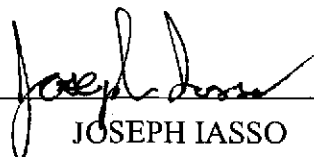
Deputy Attorney General

Dated: March 5, 2009
Newark, New Jersey

VERIFICATION

I, Joseph Iasso, of full age, hereby certifies as follows:

1. I am an Investigator with the New Jersey Division of Consumer Affairs ("Division"), Office of Consumer Protection.
2. I have read the foregoing complaint and on my own personal knowledge and review of documents in possession of the Division, including the attached certifications, I know that the facts set forth herein are true and they are incorporated in this certification by reference, except for those alleged upon information and belief.
3. I certify that the above statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.


JOSEPH IASSO

Dated: March 5, 2009
Newark, New Jersey

