



OFFICE OF THE ATTORNEY GENERAL

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FOR IMMEDIATE RELEASE
January 4, 2011

Edie Cartwright
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HEALTHCARE WORKER YOLANDA HOSKINS SENTENCED FOR MEDICAID FRAUD

Las Vegas – Las Vegas Yolanda Hoskins, age 44, was sentenced for the gross misdemeanor offense of Intentional Failure to Maintain Adequate Records. Judge Melisa De La Garza sentenced her to 90 days in jail, suspended, payment of \$5,470.00 in restitution, penalties, and costs, 80 hours of community service, and 3 years probation in this Medicaid fraud case. The case was investigated and prosecuted by the Attorney General’s Medicaid Fraud Control Unit.

“Medicaid fraud of any amount must not be tolerated and continuing prosecution of these crimes sends a message to those in the health care community that fraud involving Medicaid and its recipients will not go unpunished,” said Attorney General Masto. “Prosecution of these crimes ensures the integrity of Medicaid and restitution payments returns money to the program for use by those in need of services.”

The investigation began in 2009 after information was obtained that Hoskins was not providing personal care aid services to a Medicaid recipient and was receiving payment for those services. Medicaid has a personal care aid program to keep people living independently in their own homes by providing basic services, including bathing, dressing, house cleaning and meal preparation. Medicaid contracts with home care companies that in turn employ individuals to provide the actual day-to-day care. The investigation developed information that Hoskins indeed failed to provide care services for the patient for whom she was employed, yet claimed that she performed the services and received payment as if she had actually performed the services.

The Nevada Attorney General’s Medicaid Fraud Control Unit investigates and prosecutes instances of elder abuse or neglect. The unit also investigates and prosecutes financial fraud by those providing healthcare services or goods to Medicaid patients. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General’s web site: <http://ag.state.nv.us>



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FOR IMMEDIATE RELEASE
DATE: January 7, 2011

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NEVADA ALERT ON DEED SERVICE OFFER

CARSON CITY, NV: The Office of the Nevada Attorney General is alerting consumers concerning Title Compliance, a company using a Las Vegas post office box that is sending notices to Nevada homeowners regarding property deeds. Title Compliance states it will acquire a copy of the homeowner's deed for a payment of \$157.00. It also states that, due to the large number of transactions, this would be the only notice of their service.

Nevada homeowners should be aware that property deeds and supporting documents can be obtained from the local county recorder's office where these documents were originally filed for much less than the service being advertised.

"Consumers must be aware that official documents can be obtained from federal, state or local sources for little or no cost by applying directly to the agency involved," said Attorney General Catherine Cortez Masto. "Many companies offer to supply documents and papers for a fee, taking advantage of unsuspecting or uninformed consumers."

Before sending money to a company offering services dealing with government agencies, consumers should always contact the government agency named first. Consumers will often find the services can be obtained directly from that agency with little or no cost. In addition, the Better Business Bureau maintains a website, www.bbb.org, that provides information concerning companies doing business around the United States. Be cautious when dealing with a company not listed with the Better Business Bureau. In addition, entering the company's name in a Google, Bing or Yahoo search will often reveal information that the company is operating in a fraudulent or dishonest manner. When dealing with a non-local company, it is wise to do your internet search homework first.

While no determination has been made regarding the legitimacy of Title Compliance, any advertisement that urges quick action raises red flags. Questions regarding this matter can be addressed to the Nevada Attorney General's Bureau of Consumer Protection at (775) 684-1169.



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FOR IMMEDIATE RELEASE
January 12, 2011

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HEALTHCARE WORKER ANGELIA CHUPA SENTENCED FOR MEDICAID FRAUD

Las Vegas –Las Vegan Angelia Chupa, age 50, was sentenced today for two misdemeanor offenses of Submission of False Claims. Justice of the Peace William Jansen sentenced her to 90 days in jail, suspended, payment of \$7,100 in restitution, penalties, and costs, and one year probation in this Medicaid fraud case. The case was investigated and prosecuted by the Attorney General’s Medicaid Fraud Control Unit.

“Fraud against Medicaid by providers in the health care community will be investigated and punished,” said Attorney General Catherine Cortez Masto. “Prosecution of these crimes and the restitution penalties returning funds to Medicaid helps ensure continued support of those in need of services.”

The investigation began in 2008 after information was obtained that Chupa was not providing personal care assistant services to a Medicaid recipient and was receiving payment for those purported services. Medicaid has a personal care assistant program to keep people living independently in their own homes by providing basic services, including bathing, dressing, house cleaning and meal preparation. Medicaid contracts with home care companies that in turn employ individuals to provide the actual day-to-day care. The investigation developed information that Chupa indeed failed to provide care services for the patient for whom she was employed, yet claimed that she performed the services and received payment as if she had actually performed the services.

The Nevada Attorney General’s Medicaid Fraud Control Unit investigates and prosecutes financial fraud by those providing healthcare services or goods to Medicaid patients. The unit also investigates and prosecutes instances of elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General’s web site: <http://ag.state.nv.us>



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January 14, 2011

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DONINADOR PALALAY SENTENCED IN FORECLOSURE RESCUE SCAM

Las Vegas, NV— Defendant Doninador Palalay a.k.a. Dominador Palalay, has been sentenced in a foreclosure rescue scam case. On September 9, 2010, Palalay pled guilty to one count of Theft –Obtaining Money in excess of \$2,500 by Material Misrepresentation, a category B Felony, in connection with his role in operating a foreclosure rescue scam in Las Vegas during 2008 and 2009 under the business name of PDM Financial, Inc.

Las Vegas District Court, Department 24, Judge James Bixler sentenced Palalay to a term of nine months incarceration in the Clark County Detention Center. In addition, the defendant was sentenced to probation for a period not to exceed five years and ordered to pay restitution to his victims in the amount of \$36,332.50. Palalay may also be required to abide by a curfew and attend counseling as recommended by the Division of Parole and Probation. Finally, he was ordered to report this conviction to any potential employers and is barred from employment in the Mortgage Modification and Foreclosure Rescue industry.

“This case is particularly egregious because some of the victims lost not only money but also their homes as a result of Palalay’s conduct,” said Attorney General Catherine Cortez Masto.

On October 19, 2010, Palalay’s co-defendant and wife, Marie Tejada Medina, pled guilty to One Count of Theft-Obtaining Money in excess of \$250.00 by Material Representation, a category C Felony for her in connection with her role in the same scheme. Medina will be sentenced by Judge Bixler on February 22, 2011.

A third defendant, Benjamin Aquino Moreleda III, is a fugitive from justice with an active warrant issued for his arrest.

The case was prosecuted by the Nevada Attorney General’s Mortgage Fraud Task Force and Bureau of Consumer Protection after the office received numerous complaints about misrepresentations made by Palalay and PDM Financial.

Anyone who has information regarding the whereabouts of Defendant Benjamin Aquino Moreleda III should contact the Attorney General's Office at 702 486-3777 in Las Vegas or 775 684-1180 in Carson City.



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FOR IMMEDIATE RELEASE
DATE: January 28, 2011

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ON DATA PRIVACY DAY, NEVADA RESIDENTS WARNED TO SECURE WIRELESS INTERNET NETWORKS

Carson City – In recognition of Data Privacy Day, Nevada residents are warned to protect their personal and communications data by encrypting their own wireless Internet networks.

Data Privacy Day, internationally recognized on January 28, brings necessary awareness to an individual's right to protect his or her most sensitive and personal data. The day brings together businesses, individuals, government agencies, non-profit groups, and academics in a dialogue about the how personal data is collected, used, and stored.

“Consumers should know that the wireless routers they purchase from the store are not automatically encrypted, and they need to activate the encryption feature to ensure better protection,” said Attorney General Catherine Cortez Masto. “Last spring, Google announced its Street View vehicles had collected snippets of data from unencrypted home networks as they drove through neighborhoods photographing homes, buildings, streets and landmarks. This should be a warning to us all since unencrypted data, such as emails, passwords, and browser downloads can be intercepted easily unless the consumer takes appropriate precautions.”

Manufacturers often deliver wireless routers with the encryption feature turned off. To turn encryption on, consumers should consult the instructions that accompany their wireless router or visit the router manufacturer's website. When selecting the level of encryption, consumers should keep in mind that Wi-Fi Protected Access (WPA) encryption is more effective than Wired Equivalent Privacy (WEP) encryption. WPA, either WPA2 or WPA-Personal, should protect against most hackers. WEP should protect wireless networks against accidental intrusions by neighbors or attacks by less-sophisticated hackers. If the only choice is WEP encryption, it should be set to the highest security level available.

OnGuard Online, a consortium of federal government agencies and technology industry experts, recommends additional precautionary steps to secure your wireless network and ensure safe web browsing. The steps below are adapted from OnGuard Online's list that is available in full at: <http://www.onguardonline.gov/topics/wireless-security.aspx>.

1. **Use anti-virus and anti-spyware software, and a firewall.** Install anti-virus and anti-spyware software, keep them up-to-date and check to ensure that your firewall is turned on.
2. **Turn off identifier broadcasting.** Most wireless routers broadcast a signal to any device in the vicinity announcing their presence. You don't need to broadcast this information if the person using the network already knows it is there. Disable the identifier broadcasting mechanism if your wireless router allows it.
3. **Change the identifier on your router from the default.** The identifier (SSID) for your router is likely to be a standard, default ID assigned by the manufacturer to all hardware of that model. Change your identifier to something only you know, and remember to configure the same unique ID into your wireless router and your computer so they can communicate.
4. **Change your router's pre-set password for administration.** The manufacturer assigned the router a standard default password. Those default passwords are available to anyone, including hackers, so change it to something only you know. When choosing a password, make sure to choose one of sufficient length and complexity to prevent it from being cracked.
5. **Turn off your wireless network when you know you won't use it.** If you turn the router off when you're not using it, you limit the amount of time that it is susceptible to a hack.
6. **Don't assume that public "hot spots" are secure.** Café, hotel, and airport "hot spots" are convenient, but they are not secure.
7. **Be careful about the information you access or send from a public wireless network.** You should assume that other people can see anything you see or send over a public wireless network.

For more information log on to www.dataprivacyday2011.org.



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DATE: January 28, 2011

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CORRECTION

IMMIGRANT ASSISTANCE SCAM INCLUDED IMPERSONATION OF FEDERAL EMPLOYEES

CARSON CITY, NV: The Office of the Nevada Attorney General, in cooperation with State and Federal authorities, today arrested three people in connection with a nationwide immigration scam that entailed impersonating Federal employees of the U.S. Citizenship and Immigration Service (USCIS).

The criminal complaint alleges a company, Telestaffing, located at 610 Plumb Lane, Reno, deceived persons into believing they were employees of USCIS and were able to assist them in obtaining and completing immigration forms and filing them with USCIS. The group used a fee schedule which was identical to the fees posted by USCIS. Delays in the processing of customer immigration papers caused some to lose their legal status.

Charles Doucette, Deborah Stilson and Cybil Duran Berti have been arrested and charged with six counts of Obtaining Money Under False Pretenses in the Course of a Technological Crime, six counts of Conspiracy and two counts of Criminal Racketeering.

"These egregious actions by scammers who impersonate Federal employees and prey on innocent people who are trying to work within the system to achieve citizenship is particularly distressing," said Attorney General Catherine Cortez Masto.

"The original reports that led to this investigation and today's arrests were called in by concerned citizens to ICE's toll-free tip line," said John Budrewicz, acting resident agent in charge for U. S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations in Reno. "As is so often the case, the people who ended up being victimized by these defendants were trying to do the right thing and abide by the law. Instead, they ended up being duped. This enforcement action should send a message about our collective resolve to seek justice for those who prey on the well intentioned and the vulnerable."

Telestaffing, which was doing business under several names including Immigration Forms, Immigration Forms Processing Center, Immigration Forms And Services, Immigration Forms and

Documents, USA-Helpline.Info, and Immigration Helpline, duplicated electronic checks for its services without authority, resulting in a double payment for the filing. Consumers who paid by money order or by other means found the defendants either refused to file the documents with USCIS or simply did nothing and kept the money.

The Office of the Nevada Attorney General received cooperation on this action from the Better Business Bureau of Northern Nevada, the Washoe County Sheriff's Department, the City of Reno, the Reno Police Department, the Colorado Attorney General, the Missouri Attorney General, the U.S. Marshals Service, U.S. Immigration and Customs Enforcement's Homeland Security Investigations, the Federal Trade Commission, and the United States Department of Justice, all who assisted in the investigation of this matter.

The filing of a criminal complaint or arrest is not a determination of guilt or innocence, but is a finding of probable cause by the Nevada Attorney General that a crime was committed. The defendants are presumed innocent until proven guilty.

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FOR IMMEDIATE RELEASE
February 3, 2011

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TWO ARRESTS MADE IN MORTGAGE PAYMENT THEFT SCAM

Las Vegas, NV – The Nevada Attorney General’s office announced today that Joseph Yorkus (age 49) and James Bartczak (age 48), both of Las Vegas, were arrested today for allegedly operating a scam intended to steal mortgage payments from homeowners.

It is alleged that Yorkus and Bartczak set up “Great Western Business Services” to steal homeowners’ mortgage payments by fraudulently claiming the mortgage holder’s loan servicer had changed. This scam would potentially result in putting the victim homeowners in default with their actual mortgage servicers.

“This type of corporate identity theft is devastating to the homeowner victim and to the true loan servicer, both of whom are harmed by these types of scams,” said Attorney General Catherine Cortez Masto.

The scam involved sending letters to homeowners falsely stating that servicing of the homeowners’ loans had been transferred from Bank of America to Great Western Business Services. The letters instruct homeowners to send their mortgage payments to Great Western Business Services instead of the true servicer, Bank of America.

The alleged scam would result in victims unknowingly missing one or more mortgage payments which could result in a potential notice of default and foreclosure, despite the fact that the homeowner had actually made their payments, albeit to the scammers instead of their true loan servicer.

The case was investigated and is being prosecuted by the Attorney General’s Mortgage Fraud Task Force within the Bureau of Criminal Justice Fraud Division. The charges against the named individuals are merely allegations. The Defendants are presumed innocent until or unless proven otherwise in a court of law.

Anyone who has information regarding this case should contact the Attorney General's Office at 702.486-3194 in Las Vegas or 775.684-1180 in Carson City.



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February 4, 2011

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LOCAL MAN INCARCERATED IN CONNECTION WITH MORTGAGE SCAM AGAINST SENIOR CITIZENS

Las Vegas, NV – District Court Judge Linda Bell sentenced Thomas F. Gentile, age 56, to six months in the Clark County Detention Center in connection with an equity skimming case.

Gentile, who conspired with Justin Sabo to defraud a local couple of the equity in their home, pled guilty to one count of Theft –Obtaining Money in Excess of \$2500. The charges stemmed from the group’s involvement in a scheme to fraudulently obtain a mortgage loan against a property owned by Gentile’s former employer without his knowledge or consent. The victims are both over the age of 60.

Gentile was sentenced to serve a term of 24 to 120 months in the Nevada State Prison for his part in the scheme. The sentence was suspended but Gentile was ordered to spend the first six months in county jail.

“It is appropriate that an individual who took advantage of an elderly couple in such a egregious fashion is being brought to justice,” said Attorney General Masto.

Gentile’s co-defendant was given probation for his part in the crime as well. He avoided jail by paying a significant amount of restitution to the victims which included the homeowners and the hard money lenders who provided the money for the loan. The restitution order mandates that the defendants repay the costs and attorney fees incurred by the victims in their civil case filed to clear the title to the property.

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March 3, 2011

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NEVADA ATTORNEY GENERAL'S OFFICE READIES FOR 13TH ANNUAL NATIONAL CONSUMER PROTECTION WEEK

Las Vegas – The Nevada Attorney General's office is joining with federal, state, and local government agencies and national organizations to celebrate the 13th annual National Consumer Protection Week (NCPW), March 6-12, 2011. During NCPW, groups nationwide share tips and information that help consumers protect their privacy, manage money and debt and avoid frauds and scams.

This year, for NCPW the Nevada Office of the Attorney General will focus on topics particularly relevant to Nevada consumers. On each day of NCPW, we will issue a press release on issues consumers face in these challenging economic times.

"The message of National Consumer Protection Week is simple: it's never too late to become an engaged and more informed consumer," said Attorney General Catherine Cortez Masto.

Consumers can go to www.ncpw.gov to read, view, download and order multiple copies of educational materials provided by nearly 30 organizations and check out a calendar of events nationwide. The website's [blog](#) features posts from consumer experts nationwide and allows consumers to connect directly with them about a variety of consumer protection resources.

Consumer Protection information can also be found on the Attorney General's website at www.ag.nv.gov, the Nevada Fight Fraud website at www.fightfraud.gov and the Federal Trade Commission website at www.ftc.gov.



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March 4, 2011

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ATTORNEY GENERAL ANNOUNCES TWO ARRESTS IN MORTGAGE PAYMENT THEFT SCAM

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto today announced the arrests of Joseph Yorkus and James Bartczak for operating businesses designed to steal mortgage payments from local homeowners. Yorkus, who was out on bail from his February arrest for the operation of a similar swindle, and Bartczak, who is still in custody, were booked on new charges in connection with this attempted scam.

In February, Yorkus and Bartczak were arrested for allegedly setting up the business "Great Western Business Services" which is alleged to have been used to embezzle homeowners' mortgage payments, by sending letters to the homeowners falsely stating that the homeowners' loans had been transferred from Bank of America to Great Western. The letters instructed the homeowners to make their mortgage payments to Great Western rather than Bank of America who actually owned the loan. The scam resulted in numerous victims missing mortgage payments which could potentially result in foreclosure despite the fact that the homeowner had actually made their payments, albeit to the scammers instead of their true loan servicer.

Today's arrest is based on new allegations that in addition to fraudulently operating Great Western Business Services, Yorkus and Bartczak were also operating three other fraudulent companies, "BAC Collections," "Fresh Start Consultants" and Learn Your Rights," for the purpose of convincing homeowners to pay their mortgage through those businesses. Yorkus and Bartczak falsely represented that these companies would assist homeowners in obtaining credit repair and loan modifications, as well as principal reductions. Instead of obtaining the loan modifications, the homeowner's payments were diverted by Yorkus and Bartczak for their own personal use. One of the alleged victims is a senior citizen who lost over \$10,000 based on the fraudulent promises by the Defendants.

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“This case is another example of the type of organized, systematic fraud that is rampant in the mortgage and foreclosure rescue businesses. My Mortgage Fraud Strike Force is dedicating all its resources to investigating and aggressively prosecuting these kinds of scams,” said Attorney General Masto. “If you feel you have been involved in this or any other mortgage fraud scam, you should call my office at 702.486.3132.”

The case was investigated and is being prosecuted by the Attorney General’s Mortgage Fraud Task Force within the Bureau of Criminal Justice Fraud Division. The charges against the named individuals are merely allegations. The Defendants are presumed innocent until or unless proven otherwise in a court of law.

Anyone who has information regarding this case should contact the Attorney General’s Office at 702.486-3132 in Las Vegas or 775.684-1180 in Carson City.

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March 7, 2011

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DON'T FALL FOR THE GRANT SCAM

The Nevada Attorney General's Office is issuing a series of daily consumer advisories as part of the 13th Annual National Consumer Protection Week, March 6 to 12.

Las Vegas, NV - Grant scams have become commonplace. Businesses are contacted with promises of Federal or corporate money if the business pays the caller to write a grant request for submission.

The scams usually operate out of telemarketing boiler rooms with calls directed at small businesses. The telemarketer claims the small business qualifies for a large amount of grant money and the business will receive the grant in a few days. All the business needs to do is to pay the grant writer anywhere from \$2500 to \$7000 to receive the grant.

Sometimes the grant writer tells the victim to incorporate as a "non-profit" corporation in Nevada in order to receive the grant. That incorporation is an extra fee. The corporation may be set up, but no grant is ever received and the grant writer suddenly stops taking telephone calls. Eventually the grant writer "disappears" only to show up using another name.

No such grants are available to most small businesses. Setting up the "non-profit" corporation is also a con, since the purpose is to create the false illusion that the small business is a charity. This ploy also provides a cover for the con men who can later claim that work was performed by the grant writer even though it is unnecessary and misleading.

No one can "guarantee" that any applicant will received a grant upon application. Grants are difficult to obtain in the best of circumstances and the application process usually takes a considerable amount of time and reporting. Government grants are usually aimed at the needy, educational institutions or specialists who can provide assistance to the government. A list of information about government grants and how to apply can be found at www.grants.gov, a service of the U.S. Department of Health and Human Services. Private grants are almost specifically

directed at charitable, educational or scientific research organizations and, with the exception of scholarship funds, are not generally available to the public at large.

Whenever paying anyone for information or services relating to public or private grant assistance, always research the company. Such companies almost never telemarket, send unsolicited fax advertisements, nor advertise by bulk mail to the general public. If the service has an internet website, check out the domain registration at www.whois.net. If the website is registered to a "proxy" address, question why the company does not wish to disclose its identity. Check the company out at the Better Business Bureau at www.bbb.org. Check to see if the company provides a local telephone number, not just a toll free number. Scammers specifically use toll free numbers to hide their true identity and location. In all cases, ask for copies of their business license, a list of their grant writers, a list of their past successful grant applications and the names of the agency or organization who provided the grant and a list of references.

If you would like further information, please call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3420; or in Carson City at (775) 684-1180. Consumer protection information can also be found on the Attorney General's Web site at www.ag.state.nv.us the Nevada Fight Fraud website at www.fightfraud.gov and at the Federal Trade Commission website at www.ftc.gov.



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March 8, 2011

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NEVADA ATTORNEY GENERAL'S OFFICE ALERTS HOMEOWNERS TO AVOID LOAN MODIFICATION SCAMMERS

The Nevada Attorney General's Office is issuing a series of daily consumer advisories as part of the 13th Annual National Consumer Protection Week, March 6 to 12.

Las Vegas, NV - A large percentage of Nevada homeowners now owe more on their mortgages than their homes are worth. Many are unable to make their mortgage payments because of reduced incomes or payment increases on adjustable rate mortgages.

Unfortunately, this situation has spawned a cottage industry of loan modification scammers waiting to prey on unsuspecting victims who are looking for a lifeline to save their homes.

Some unscrupulous businesses make unrealistic promises about their success rates in obtaining loan modifications. These scammers guarantee they can obtain loan modifications regardless of the homeowners' particular circumstances. In many cases, clients are advised to forego their monthly mortgage payments, ostensibly to improve the negotiating posture with the lender. In reality, these scammers are more interested in directing their clients' limited resources toward payment of their large upfront fees. In some cases, these businesses trick unsuspecting homeowners into signing documents transferring ownership of their homes to the scammers.

Usually homeowners are left in a worse position as a result. These companies rarely, if ever, obtain a loan modification for their clients. Most charge their clients large upfront fees, but do little, if any, work once they have been paid. Often the homeowners ultimately lose their homes.

A variation to the loan modification scam is the mortgage servicing scam. This involves the scam artist sending letters to homeowners telling them that their company has taken over servicing of the mortgage from the homeowner's bank and that mortgage payments should now be made to the scam artists' business. It is important

that whenever homeowners receive a letter regarding a change in status or servicing of a mortgage they contact their bank to verify such changes.

For many homeowners, a loan modification is the only alternative to losing their homes in foreclosure. Loan modifications typically involve a reduction in the loan's interest rate resulting in a more affordable monthly payment. Moreover, costs in arrears caused by missed payments and assessed fees can be 'rolled-into' or added to the principal of the modified loan. Occasionally, a mortgage loan servicer may agree to a reduction in the principal of the loan, but this is relatively rare.

In theory, loan modifications are good for both homeowners and lenders. Homeowners are able to remain in their homes with affordable monthly payments and lenders avoid disruption of their revenue streams as well as the expense and hassle of foreclosure. In practice, however, many homeowners attempting to negotiate loan modifications on their own find the process cumbersome, frustrating and too often ultimately unsuccessful.

Being a victim of a loan modification scam is avoidable. In general, there is no reason to hire a for-profit loan modification company. Homeowners can directly negotiate loan modifications with their mortgage loan servicers. For those who want assistance, however, the best option is to work with a HUD certified counselor. These counselors are knowledgeable about the various available loan modification programs and experienced in negotiating loan modifications. HUD certified counselors do not charge a fee for their services. To find a local HUD-approved housing counseling agency, call 702.229.HOME or 877.448.4692 or visit www.fightfraud.nv.gov

Those homeowners who prefer to hire a for-profit company to negotiate a loan modification on their behalf should at least take precautions to reduce the likelihood of becoming a victim of a scam. Do not pay fees until after the promised services have been provided. Recent regulations adopted by the Federal Trade Commission say loan modification companies are not permitted to charge upfront fees prior to performing the contracted services. Do not sign any document without first carefully reading and understanding its contents and do not agree to any arrangement whereby a legal interest in the home is transferred.

Consumers who want to report mortgage fraud are asked to contact the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194.

Consumer protection information can also be found on the Attorney General's website at www.ag.state.nv.us, the Nevada Fight Fraud website at www.fightfraud.gov, and at the Federal Trade Commission website at www.ftc.gov.



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March 9, 2011

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THE NEVADA ATTORNEY GENERAL'S OFFICE WARNS CONSUMERS OF FOREIGN LOTTERY SCAMS

The Nevada Attorney General's Office is issuing a series of daily consumer advisories as part of the 13th Annual National Consumer Protection Week, March 6 to 12.

Las Vegas — The Office of the Nevada Attorney General is warning consumers to beware of foreign lottery scams.

Here is the scenario: You go to the mailbox and you find a letter from a supposed lottery operation telling you your number has been selected from a list of entries and you have won a large sum of money from this lottery. Strange, you don't remember entering any lottery, nor do you remember traveling to that foreign country which is the only legal place one can enter such a lottery. Enclosed with the letter is an authentic looking check which is supposed to be a partial payment so you can pay fees and taxes. All you have to do to get the winnings is to cash the check and wire money to some location via Western Union or MoneyGram. The letter states that time is of the essence so don't delay. Strange, why didn't they just take these fees out of the winnings? Strange, the check is from some company unrelated to any lottery.

Now for a reality check. The check enclosed with the letter is either counterfeit or stolen. The payee is either a victim of theft or the payee is non-existent, and the address for the bank is erroneous. The check will eventually bounce or be dishonored. The reason for the hurry is those criminals operating this scam want the victim to wire the money to them before the victim finds out that the check is bogus. After the victim sends the money to the criminals, the victim learns the check is counterfeit and worthless. Primary targets for this scam are senior citizens and the poor. The victims will be out the money wired to the criminals and may have to repay the bank if there were not sufficient funds to cover the check in the victim's bank account.

Consumers are warned to never respond to a letter indicating that you won a lottery, sweepstakes or contest that you do not clearly remember entering. In the

case of a foreign lottery do you remember traveling to that country recently? It is illegal to enter a foreign lottery from the United States. If it is a foreign lottery, you are required to travel to that country to accept the winnings. Legitimate lotteries, sweepstakes or contests never ask the winner to pay money, fees or taxes in order to get the winning prize. Any such fees are simply taken or withheld from the winnings.

Consumer Advocate Eric Witkoski warns consumers to be aware of any sweepstakes, prize, lotto winnings or contest where the consumer must pay money to receive a prize or award, and to never wire money unless the recipient is a relative or personal friend. Use of Western Union wire transfers is a favorite method used by con artists to steal from Nevada victims. If you would like further information, please call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3420; or in Carson City at (775) 684-1180. Consumer protection information can also be found on the Attorney General's Web site at ag.state.nv.us, the Nevada Fight Fraud website at www.fightfraud.nv.gov and at the Federal Trade Commission website at www.ftc.gov.



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FOR IMMEDIATE RELEASE
March 10, 2011

Edie Cartwright
775.684.1189

NEVADA ATTORNEY GENERAL'S OFFICE ALERTS CONSUMERS TO BEWARE OF ELECTRONIC PICKPOCKETING

The Nevada Attorney General's Office is issuing a series of daily consumer advisories as part of the 13th Annual National Consumer Protection Week, March 6 to 12, 2011.

Las Vegas- Consumers should be aware that criminals can steal your credit card, debit card, passport and other valuable information without even touching your wallet or purse. This crime is referred to as "electronic pickpocketing". The technology used to perform this type of theft is called radio frequency identification or "RFID".

Hundreds of millions of credit cards, debit cards and all passports issued since 2006 are embedded with a radio frequency identification chip—or RFID. RFID chips are also commonly used in hotel keys, cards that raise gates in parking garages and unlock doors at businesses. Government, military and port of entry ID cards are also vulnerable to this type of theft. You need only swipe the card in front of a reader. The RFID chip is always on, making consumers more susceptible to identity theft.

Thieves can steal this information by using a frequency reader. These readers are inexpensive and easy to obtain. The thief can simply walk next to you and acquire your credit card number and expiration date without any physical contact. While these cards are in your wallet or purse they can transmit your card or passport number and in some states, your digital drivers' license information when placed near a reader. The information almost immediately appears on a computer screen without you ever knowing about it. Apparently U.S. passports are more difficult to read than cards with RFID chips because they require a password. However, hackers with enough knowledge can see everything on the passport's front page. A thief can be long gone before the consumer ever realizes his information has been stolen. This is "electronic pickpocketing".

The credit card industry and the U.S. Department of State use RFID chip technology because it holds more data than magnetic strips and can be read quicker. However, the convenience can also put consumers at risk of having their information stolen. For instance, instead of swiping these cards, they can simply be tapped or passed by a sensor/reader to complete the transaction. This makes paying faster and easier. It is reported that scanned information transferred onto hotel keys has also been read and used to make purchases.

It is important for consumers to protect themselves from this type of identity theft. While the makers of RFID cards say they are safe, consumers need to learn how to prevent this electronic theft from occurring. You can tell if your credit or debit card has the RFID chip by the four wavy lines on the front or some other symbol that indicates they transmit. If your debit card has an RFID chip, most banks are happy to exchange it for a card without the RFID chip. If you have credit cards or a drivers' license with the RFID chip, contact the issuer to provide a secure sleeve and keep your card inside the sleeve at all times when you are not using it. Other forms of protection are to place the cards in protective sleeves often made of foil or possibly even tin foil or special badge holders that prevent RFID cards from being read unknowingly.

If you would like further information, please call the Attorney General's Office in Las Vegas at (702) 486-3420 or in Carson City at (775) 684-1180. Consumer protection information can also be found on the Attorney General's website at www.ag.state.nv.us, the Nevada Fight Fraud website at www.fightfraud.gov, and at the Federal Trade Commission website at www.ftc.gov.



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ATTORNEY GENERAL MASTO AND 37 ATTORNEYS GENERAL NATIONWIDE REACH A LANDMARK \$68.5 MILLION SETTLEMENT WITH ASTRAZENECA PHARMACEUTICALS

Las Vegas - In the largest ever multi-state consumer protection-based pharmaceutical settlement, Nevada Attorney General Catherine Cortez Masto announced today that she, along with 37 other Attorneys General, reached a record \$68.5 million dollar settlement with AstraZeneca Pharmaceuticals LP arising from alleged improper marketing of the antipsychotic drug Seroquel.

The complaint, and subsequently the settlement agreement, alleges that AstraZeneca engaged in unfair and deceptive practices when it marketed Seroquel for unapproved or off-label uses, failed to adequately disclose the drug's potential side effects to health care providers and withheld negative information contained in scientific studies concerning the safety and efficacy of Seroquel.

"I stand with my fellow Attorneys General to put pharmaceutical companies on notice that they must not market drugs for unapproved or off-label uses," said Attorney General Masto. "This practice is deceptive and dangerous and can result in death in some cases."

Following a 3 year investigation, AstraZeneca agreed to not promote Seroquel in a false, misleading or deceptive manner, including for "off-label" uses, which are not approved by the U.S. Food and Drug Administration. In addition to the \$68.5 million payment, the terms of the settlement include injunctive provisions which address specific concerns identified in the investigation. Along with other prohibitions and requirements, the agreement specifically requires AstraZeneca to:

- Publicly post its payments to physicians on a website;
- Have policies in place to ensure that financial incentives are not given to marketing and sales personnel for off-label marketing;

- Have policies in place to ensure that AstraZeneca sales personnel do not promote to health care providers who are unlikely to prescribe Seroquel for an FDA-approved use; and
- Cite to Seroquel's FDA-approved indications when referencing selected symptoms, rather than promoting Seroquel by highlighting symptoms only.

Although a physician is allowed to prescribe drugs for off-label uses, law prohibits pharmaceutical manufacturers from marketing their products for off-label uses. As alleged, AstraZeneca unlawfully marketed Seroquel for a number of off-label uses, including for use in pediatric and geriatric populations, specifically in nursing homes for Alzheimer's Disease and Dementia, as well as for anxiety, depression, sleep disorders, and post traumatic stress disorder. AstraZeneca promoted Seroquel for such uses, even though Seroquel was not, at the time it was marketed, approved for the treatment of these conditions and AstraZeneca had not established that Seroquel was safe and effective for these uses.

Atypical antipsychotics, including Seroquel, can produce dangerous side effects, including weight gain, hyperglycemia, diabetes, cardiovascular complications, an increased risk of mortality in elderly patients with dementia and other severe conditions.

The Attorneys General from Florida and Illinois led the investigation into AstraZeneca's marketing and promotional practices. The Attorneys General of the following states and the District of Columbia participated in the settlement: Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Idaho, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Washington, West Virginia and Wisconsin.

Nevada will receive \$1,128,901 as its share of the settlement.

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March 11, 2011

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NEVADA ATTORNEY GENERAL'S OFFICE WARNS CONSUMERS TO BE AWARE OF YOUR RIGHTS IN DEBT COLLECTION

The Nevada Attorney General's Office is issuing a series of daily consumer advisories as part of the 13th Annual National Consumer Protection Week, March 6 to 12.

Las Vegas - A debt collector is someone, other than the creditor, who regularly collects debts owed to someone else. You may be contacted by a debt collector if you fall behind repaying your creditors on a personal, family or household debt. You may even be contacted by a debt collector when an error is made in your account. In either situation, the Federal Fair Debt Practices Act requires that debt collectors treat consumers fairly. The Act also prohibits certain debt collection practices.

Debt collectors are prohibited from contacting you before 8:00 a.m. or after 9:00 p.m. A debt collector may not contact you at work if the collector is aware that your employer prohibits it. They may not falsely imply that they are attorneys or government representatives or that they work for a credit bureau. Harassing or abusive behavior such as threats of arrest, profane language or repeated annoying phone calls are also prohibited. They may not call you at work if you ask them not to.

Under the law, you also have certain rights as a consumer:

- Within 5 days after you are first contacted, the debt collector must send a written notice about the debt; including the amount owed, the name of the creditor and what action to take if you do not owe the debt;
- You have 30 days to file a written dispute, and the debt collector must provide written verification of the debt;
- You may stop a collector from contacting you by sending a written request to cease contact. However, sending such a letter will not erase the debt if you actually owe the debt.

For all consumers, and particularly those who believe they have been contacted in error, it is important to ask the debt collector to validate the debt by sending you

information proving that the debt is really yours. This request must be made in writing and it is important to keep copies of all correspondence.

If you have questions about a debt collection company or wish to file a complaint in writing you may contact the Financial Institutions Division of the Nevada Department of Business and Industry at 2785 Desert Inn Road, Suite 201, Las Vegas NV 89121. For additional information as well as a list of collection agencies, licensed in Nevada, please visit www.fid.state.nv.us. General Consumer protection information can also be found on the Attorney General's Web site at www.ag.state.nv.us the Nevada Fight Fraud website at www.fightfraud.gov and at the Federal Trade Commission website at www.ftc.gov.



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FOR IMMEDIATE RELEASE
DATE: March 11, 2011

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NEVADA ATTORNEY GENERAL'S OFFICE ISSUES ALERT ON GRANT DEED SERVICE OFFER

The Nevada Attorney General's Office is issuing a series daily consumer advisories as part of the 13th Annual National Consumer Protection Week, March 6 to 12, 2011.

Carson City - Record Retrieval is sending notices to Nevada homeowners regarding property grant deeds. Record Retrieval states it will acquire a copy of the homeowner's deed for a payment of \$87.00. If a homeowner requests this service after a specific date, an additional \$35.00 will be charged.

Cites to California statutes indicate Record Retrieval actually operates out of California. There are no telephone numbers or physical addresses on the notice. The only address is a private mail drop in Reno, Nevada. There is no information on the Internet regarding Record Retrieval operating out of Reno.

The notice does indicate a grant deed may be obtained for a nominal fee from the homeowner's County Recorder's office, but that notice is buried in the fine print.

Nevada homeowners should be aware that property grant deeds and supporting documents can be obtained from the local county recorder's office where these documents were originally filed for much less than the cost of the service being advertised. Consumers should always be wary of any company which operates out of a private mail drop, does not disclose the true location of its physical operation and contains no identifying information.

Before sending any money to someone offering services related to dealing with government agencies, consumers should always contact the agency named first. There may be little or no cost involved in dealing with the agency directly. In addition, the Better Business Bureau maintains a website, www.bbb.org, which provides information concerning companies doing business in the United States. If a company is not listed with the Better Business Bureau, be careful. In addition, entering the company's name in a Google, Bing or Yahoo search will often reveal information that the company is operating in a fraudulent or dishonest manner. When dealing with a non-local company, it is wise to do your Internet search homework first.

While no determination has been made regarding the legitimacy of Record Retrieval, any advertisement that urges quick action raises red flags. Questions regarding this matter can be addressed to the Nevada Attorney General's Bureau of Consumer Protection at (775) 684-1169.



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FOR IMMEDIATE RELEASE
March 15, 2011

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ATTORNEY GENERAL'S OFFICE WARNS NEVADANS TO AVOID JAPAN RELIEF SCAMS BY CONTRIBUTING TO LEGITIMATE FUND RAISERS

Las Vegas, NV-: The Nevada Attorney General's Office cautions citizens to beware of possible scams that invariably follow efforts to assist victims of disasters. Therefore, the Attorney General is providing information to Nevadans on how to contribute and assist with Earthquake Relief efforts in Japan.

Beware of scams

People who are looking for ways to help with earthquake relief should be wary of solicitations that could be from scam artists. In past tragedies and natural disasters, individuals with criminal intent have solicited contributions purportedly for a charitable organization. The following tips are offered to protect the public from these scams:

- Ignore unsolicited e-mails, and do not click on links within those messages.
- Be skeptical of individuals representing themselves as survival victims or officials asking for donations via e-mail or social networking sites.
- Be cautious of e-mails that claim to show pictures of the disaster areas in attached files, because the files may contain computer viruses. Open attachments only from known senders.
- Decline to give personal or financial information to anyone who solicits contributions.
- Make contributions directly to known organizations, rather than relying on others who claim in e-mails that they will channel the donation to established groups.

How Can You Help

"While Nevadans always show their generosity and support during these natural disasters, it is important that citizens have guidance to be sure their contributions go to those in need," said Attorney General Catherine Cortez Masto. "In addition to contributing to organizations familiar to the donor, our office suggests

contacting an independent organization like the Better Business Bureau to determine if an unfamiliar charity has a good reputation.”

Nevadans should direct their contributions to recognized organizations such as the Red Cross and the Salvation Army or to organizations identified below.

Humanitarian Organizations

The most efficient and effective way to help those affected by a disaster overseas is to make a monetary donation to a humanitarian organization that is implementing relief programs in the affected region. For example, Global Giving has specific disaster-recovery projects listed that can be supported and the United Nations maintains a website called ReliefWeb, which is a repository of information, listed by disaster, submitted by responding humanitarian organizations.

Monetary Donations

Monetary donations are the most effective form of assistance because they allow humanitarian organizations to purchase (often within the affected region itself) the exact type and quantity of items needed by those affected by the crisis.

Volunteering

Volunteer opportunities in disaster settings are extremely rare, and are usually limited to people with prior disaster experience and technical skills (such as health, engineering, etc.). To register your skills and experience for a possible volunteer opportunity, go to the [Center for International Disaster Information's](#) registration page.

For More Information

For more information on donations, see the following:

[Guidelines for Appropriate International Disaster Donations](#), produced by [The Center for International Disaster Information \(CIDI\)](#). CIDI can also be reached by telephone at (703) 276-1914.

[Tips on Charitable Giving](#), produced by the Better Business Bureau's [Wise Giving Alliance](#)

[Donor Information](#), produced by [GuideStar](#)

[Tips for Giving Wisely](#), produced by the [American Institute of Philanthropy](#)

[Tips and Resources](#), produced by [Charity Navigator](#)



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FOR IMMEDIATE RELEASE
March 24, 2010

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ATTORNEY GENERAL'S OFFICE ANNOUNCES ARREST IN SECURITIES FRAUD SCAM

Las Vegas, NV – The Nevada Attorney General's Office has announced the arrest of Richard Bernstein on charges of securities fraud and theft.

Bernstein is charged with one (1) count of Securities Fraud, a violation of NRS 90.570 and NRS 90.650 and one (1) count of Theft – Obtaining Money in Excess of \$2,500 by Material Misrepresentation in violation of NRS 205.832 (1)(c) and NRS 205.0835. Each charge is a category B felony. Bernstein faces a maximum of 20 years in prison and fine of \$500,000.00. The case was investigated by the Nevada Secretary of State's office and is being prosecuted by the Attorney General's Bureau of Criminal Justice Fraud Unit.

Bernstein allegedly swindled a married couple out of \$250,000 after they consulted him regarding how to invest profits from the sale of their home. Bernstein, who represents himself as an executive and life coach, recommended that the couple invest in a new business venture called Turn-Key Financial Group that was to be headed by Bernstein.

"Consumers must research carefully any investment opportunity they are considering," said Attorney General Catherine Cortez Masto. "Scammers are only too happy to take money from unwary investors."

It is alleged that Bernstein made a number of material misrepresentations to convince the victims to invest their money. Bernstein told them he would personally match their investment in "Turn-Key" and that all of the money the victims invested would be used to pay legitimate business expenses. Instead, Bernstein invested none of his own money in the venture and converted approximately \$125,000.00 invested by the victims for his personal use, including purchasing Bentley and BMW luxury automobiles for himself and his wife.

Furthermore, Bernstein neglected to inform the victims of material information about the investment. He failed to disclose his criminal record, which includes a conviction for credit card fraud. He also did not reveal that he has numerous civil judgments for breach of contract recorded against him and two Internal Revenue Service liens totaling more than \$200,000.00 in unpaid taxes recorded against him.

The criminal complaint is a formal allegation that the defendant has committed a crime. It is not evidence of guilt. The defendant is presumed innocent until proven guilty in a court of law.

An initial hearing in Department One (1) of the Justice Court of Las Vegas Township, Clark County, Nevada, is scheduled for March 24, 2011. Bernstein is currently held in the Clark County Detention Center without bail.

Anyone who has information regarding this case should contact the Attorney General's Office at 486-3777 in Las Vegas or 684-1180 in Carson City.



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FOR IMMEDIATE RELEASE
DATE: April 5, 2011

Contact: Edie Cartwright
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NEVADA ATTORNEY GENERAL'S OFFICE ALERTS CONSUMERS **REGARDING E-MAIL LEAK**

CARSON CITY, NV: The Office of the Nevada Attorney General is alerting consumers regarding an e-mail leak associated with large corporation customer lists.

Recently, Epsilon, a marketing firm hired by many large corporations to maintain permission-based e-mail marketing lists, had a breach in security resulting in the disclosure of a number of consumers' names and e-mail addresses. According to Epsilon, no other personal information was leaked.

The information that was leaked exposes customers of the grocery chain The Kroger Co., JPMorgan Chase, Capital One, Marriott Rewards, Amazon, McKinsey Quarterly, US Bank, Citibank, Brookstone, Walgreens, the Home Shopping Network, as well as a large number of other companies, to possible e-mail phishing campaigns. Phishing is a practice in which thieves attempt to steal personal information from consumers by sending e-mails designed to mislead the consumer into believing that the e-mail is from a company with whom the customer does business.

The best way for consumers to protect themselves is to follow the same warnings that are recommended if you receive any e-mail asking for account information, including passwords or login names. No legitimate company will e-mail you and ask for any account information. They already have that information and do not need to confirm it.

Do not click on any link in the e-mail you receive, regardless of how authentic the e-mail seems. Phishing thieves are extremely good at disguising the real link names and other information which would expose the scam. If you feel the need to contact the bank or company, close the e-mail, close your browser, then search for the company's authentic website for information. Better still, locate the company's customer service telephone number through an independent source, such as the back of your credit card, or even your local telephone directory, and call to confirm the request for information.

Do not fall for the scam and give away your personal information. Never give personal information over the telephone or Internet in response to an e-mail or survey.

Questions regarding this matter can be addressed to the Nevada Attorney General's Bureau of Consumer Protection at (775) 684-1169



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FOR IMMEDIATE RELEASE
DATE: April 12, 2011

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HEALTHCARE WORKER YOUNGSOOK KWON SENTENCED FOR MEDICAID FRAUD

Reno, NV: –Youngsook Kwon, age 57, was sentenced for a misdemeanor offense of Submission of False Medicaid Claims. Justice of the Peace Pro Tem Jenny Hubach found Ms. Kwon guilty and sentenced her to payment of \$750.00 in restitution, penalties, and costs in this Medicaid fraud case. The case was investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit.

“No instance of Medicaid fraud can be tolerated, no matter how seemingly small,” said Attorney General Masto. “Prosecution of these crimes ensures the integrity of Medicaid and returns money for use by those in need of services.”

The investigation began in 2010 after information was obtained that Kwon was not providing personal care assistant services to a Medicaid recipient and was receiving payment for those purported services. Medicaid has a personal care assistant program to keep people living independently in their own homes by providing basic services, including bathing, dressing, cleaning and meal preparation. Medicaid contracts with home care companies that in turn employ individuals to provide the actual day-to-day care. The investigation developed information that Kwon indeed failed to provide care services for the patient for whom she was employed, yet claimed that she performed the services and received payment as if she had actually performed the services.

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes financial fraud by those providing healthcare services or goods to Medicaid patients. The unit also investigates and prosecutes instances of elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>



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ATTORNEY GENERAL'S OFFICE ANNOUNCES ARREST IN MORTGAGE FRAUD THEFT SCAM

Las Vegas, NV – The Nevada Attorney General's office today announced the arrest of a local realtor, Christopher Brown, who works for Better Homes and Garden Desert Properties in connection with a scam relating to foreclosure auction sales.

The State alleges that Mr. Brown filed a fraudulent and forged Trustees Deed Upon Sale with the County Recorder transferring a property to an elderly victim prior to the actual foreclosure sale. The victim had paid cash to purchase the property at auction. The State alleges instead of purchasing the property, the elderly victim's payments were diverted by Mr. Brown for his personal use. The alleged victim is a senior citizen who lost over \$115,000 based on the fraudulent promises by the Defendant.

"This case is another example of the type of systematic fraud that is rampant in the mortgage and foreclosure businesses," said Attorney General Catherine Cortez Masto. "If you feel you have been involved in this or any other mortgage fraud scam, you should contact my office."

The case was investigated and is being prosecuted by the Attorney General's Mortgage Fraud Task Force. The charges against the named individuals are merely allegations. The defendants are presumed innocent until or unless proven otherwise in a court of law.

Anyone who has information regarding this case should contact the Attorney General's Office at 702.486-3132 in Las Vegas or 775.684-1180 in Carson City.



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FOR IMMEDIATE RELEASE
DATE: April 20, 2011

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MYSTERY SHOPPER SCAM ALERT

CARSON CITY, NV: The Nevada Attorney General's Office is warning that some Nevadans have received letters or e-mails offering employment as a "Mystery Shopper." Each of these proposals involves wiring money from either Western Union or Moneygram as part of the "investigation against these companies." However, the mailer fails to notify the intended victim that persons performing mystery shopper services in Nevada must first obtain a private investigator's license.

The scam will send a check which looks official with instructions that the mystery shopper cash the check and then use most of the proceeds to wire money to a different location. Alternately, the consumer will be instructed to buy one or two small items and then wire the remainder of the money back to the company. Wiring money back to the company who originally provided the cashier's check is a reoccurring theme in this scam.

The consumer is instructed to act immediately. This is because the cashier's check is either stolen or a forgery and will bounce. The scammers want the victim to wire money back to them before the bank – and the victim – discovers the check is a forgery. If the check is cashed, the victim will be required to pay the bank for the money paid on the forged check and any money wired to the company. The "company" is invariably located in another country and funds cannot be retrieved from it.

The Nevada Attorney General warns Nevada citizens to never wire money to anyone who is not personally known to the sender. Scammers use wire transfers, usually via Western Union or MoneyGram, because those transfers are difficult to trace. The person receiving the money for the scam often is hired to pick up the money and transfer it to someone else. In almost all of the cases referred to the Attorney General's Bureau of Consumer Protection, the payee listed on the check does not match the

name of the so-called lottery, sweepstakes or mystery shopping service. This is a quick indication that the checks are probably stolen.

Before cashing a lottery, sweepstakes or mystery shopper check, call the Attorney General's Bureau of Consumer Protection at 775.684.1169 for information on a possible scam in progress. Being alert can prevent consumers from becoming victims.



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FOR IMMEDIATE RELEASE
DATE: May 17, 2011

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FORMER MEDICAID PROVIDER PATRICIA CALDWELL SENTENCED FOR MEDICAID FRAUD

Las Vegas – Patricia Caldwell, age 48, was sentenced today for two felony offenses of Submission of False Claims: Medicaid Fraud as well as a gross misdemeanor for Failure to Maintain Adequate Records. District Court Judge Michelle Leavitt sentenced her to 12-34 months in jail, suspended; payment of \$125,000 in restitution, penalties, and costs; 40 hours of community service; and five years probation in this Medicaid fraud case. The case was investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit.

“Medicaid fraud victimizes all taxpayers, as well the individuals requiring Medicaid services,” said Attorney General Catherine Cortez Masto. “An important part of the prosecution of these crimes is the restitution penalty that returns funds to the Medicaid program. This helps ensure continued support of those in need of services.”

The investigation of Mrs. Caldwell began after information was obtained that she, as the owner of Fields of Wellness Homes, was not providing services to Medicaid recipients that resided at Fields of Wellness. Mrs. Caldwell was a Medicaid provider that enrolled Fields of Wellness as a Behavioral Health Outpatient Treatment. Nevada Medicaid reimburses for community-based and inpatient mental health services to both children and adults under a combination of mental health rehabilitation, medical/clinical, and institutional authority.

Interviews with Medicaid recipients and former employees of Fields of Wellness showed that Mrs. Caldwell was not providing the services as indicated on claims submitted to Medicaid. Mrs. Caldwell and her staff were allegedly providing Behavior Skills Training (BST) and Psychosocial Rehabilitation (PSR) services to the Medicaid recipients. The Medicaid recipients denied receiving services and many recipients denied residing at or

having any contact with Mrs. Caldwell or Fields of Wellness staff during times services were allegedly provided.

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes financial fraud by those providing healthcare services or goods to Medicaid patients. The unit also investigates and prosecutes instances of elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>



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FOR IMMEDIATE RELEASE
DATE: May 23, 2011

Contact: Edie Cartwright
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ATTORNEY GENERAL OFFICE ANNOUNCES ARREST OF SHAFIK HIRJI

Las Vegas, NV – Today the Office of the Nevada Attorney General announced the arrest Shafik Hirji for Theft in excess of \$2,500 – a class B felony, and three counts of Uttering Forged Instruments – class D felonies. The arrest was made in connection with Hirji's alleged theft of home equity in connection with a mortgage loan.

"This incident is yet one more example of the significant criminal activity surrounding mortgage processing within Nevada," said Attorney General Catherine Cortez Masto. "Only by combating these criminal acts aggressively can we turn Nevada around, which is why my Mortgage Fraud Strike Force is dedicating all its resources to investigating and aggressively prosecuting these kinds of scams."

The case was investigated and is being prosecuted by the Attorney General's Mortgage Fraud Task Force within the Bureau of Criminal Justice Fraud Division. The charges against the named individuals are merely allegations. The Defendants are presumed innocent until or unless proven otherwise in a court of law.

Anyone who has information regarding this case should contact the Attorney General's Office at 702.486-3132 in Las Vegas or 775.684-1180 in Carson City. Further, if you feel you have been involved in this or any other mortgage fraud scam, you should call (702) 486-3132.

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FOR IMMEDIATE RELEASE
DATE: May 26, 2011

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VU THUY CHAU SENTENCED IN FORECLOSURE RESCUE SCAM

Las Vegas, NV – Office of the Nevada Attorney General announced that defendant Vu Thuy Chau a.k.a. Steve Chau, has been sentenced in a foreclosure rescue scam case.

Chau pled guilty to one count of Petty Theft, a misdemeanor, in connection with his role in operating a foreclosure rescue scam in Las Vegas in 2009, under the business name of U.S. Housing Help. As a result of the Attorney General's prosecution, the victims of the scam recovered full restitution totaling \$6,086, as well as recovery to the State for all of its costs incurred in prosecuting this matter and extraditing the defendant.

"We are pleased to have been able to make the victims whole," said Attorney General Catherine Cortez Masto. "It is the continuing goal of the Mortgage Fraud Strike Force to prosecute mortgage fraud scammers and whenever possible, recover restitution for the victims."

The case was prosecuted by the Nevada Attorney General's Mortgage Fraud Task Force within the Bureau of Criminal Justice Fraud Division after the office received complaints about misrepresentations made by Chau. If you feel you have been involved in this or any other mortgage fraud scam, please contact the Office of the Attorney General at 702.486.3132 .

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FOR IMMEDIATE RELEASE
DATE: May 27, 2011

Contact: Edie Cartwright
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MEDICARE BENEFICIARIES WARNED OF DIABETIC SUPPLIES SCAM

Las Vegas - Nevada's Medicare beneficiaries are warned of unsolicited phone calls regarding their eligibility for new diabetic meters that are generally covered by Medicare under the beneficiary's Medicare Part B.

The caller claims to be a government agency representative and is informing the Medicare beneficiary they are eligible for a new glucose meter. The caller asks the beneficiary to confirm "you are who you say you are" and requests the beneficiary's Medicare number.

In the instance that was reported to the Nevada Senior Medicare Patrol, the beneficiary told the caller that he was not comfortable in providing that information over the phone and asked the caller to send a form to provide the information. The caller promptly hung up.

"Luckily, this senior was aware enough to realize that the caller was a scammer looking for personal information in an attempt to victimize him," said Attorney General Catherine Cortez Masto. "Although seniors are becoming increasingly more vigilant in protecting their Medicare numbers and other personal information, there's always the possibility that a scammer calling a senior could persuade him or her to provide information that could open the senior to potential ID theft and medical identity theft."

Medicare will never make unsolicited calls to a beneficiary.

If seniors receive any phone calls such as the scam above, or for more general information on potential Medicare and healthcare fraud, errors or abuse, please call the Nevada SMP – Senior Medicare Patrol in the Nevada Attorney General's Office at 1-888-838-7305.



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FOR IMMEDIATE RELEASE
DATE: June 2, 2011

Contact: Edie Cartwright
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HEALTHCARE WORKER JESSICA ENAMORADO SENTENCED FOR MEDICAID FRAUD

Las Vegas – The Office of the Nevada Attorney General has announced that Las Vegas Jessica Enamorado, age 39, was sentenced for Medicaid Fraud. Enamorado pled guilty to a gross misdemeanor offense: Intentional Failure to Maintain Adequate Records. Judge Melisa De La Garza sentenced her to 90 days in jail, suspended, 3 years of probation, and payment of \$18,700.00 in restitution, penalties and costs. The case was investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit (MFCU).

"The integrity of the Medicaid system must be protected," said Attorney General Cortez Masto. "This office will aggressively pursue and prosecute those people who would steal from Medicaid and at the same time cheat recipients out of receiving necessary care. We are sending a message to those in the health care community that Medicaid fraud will be punished. Additionally, the money we recover is returned to the system for use by those in need of services."

Persons convicted of Medicaid fraud may also be subject to exclusion from future Medicaid participation.

In 2009, Nevada Medicaid provided information to the MFCU that Enamorado was suspected of not providing personal care services to a Medicaid recipient for which she was receiving payment from Medicaid. Medicaid has a personal care assistant program to keep people living independently in their own homes by providing basic services, including bathing, dressing, cleaning and meal preparation. Enamorado was employed by a home care company to provide the actual day-to-day care for the recipient. It was discovered that Enamorado had failed to provide care services for the patient for whom she was employed, yet claimed that she performed the services and received payment as if she had actually performed the services.

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes financial fraud by those providing healthcare services or goods to Medicaid patients. The unit also investigates and prosecutes instances of elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>



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FOR IMMEDIATE RELEASE
DATE: June 8, 2011

Contact: Edie Cartwright
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HEALTHCARE RECIPIENT PHILLIP HARRIS SENTENCED FOR MEDICAID FRAUD

Reno, NV – The Office of the Nevada Attorney General has announced that Phillip Harris, age 71, was sentenced for Medicaid fraud. Harris plead guilty to a misdemeanor offense of Submission of False Medicaid Claims. Justice of the Peace Peter Sferrazza found Mr. Harris guilty and sentenced him to payment of \$250.00 in restitution, fees and costs. The case was investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit (MFCU).

In 2010 Nevada Medicaid provided information to the MFCU that Mr. Harris' Medicaid-funded personal care assistant, Youngsook Kwon, was not providing care services to Mr. Harris, but was receiving payment for those purported services. Medicaid has a personal care assistant program to help people live independently in their own homes by providing assistance with basic personal care services. The investigation revealed that Kwon failed to provide care services for Mr. Harris and received payment as if she had actually performed the services. In addition, the investigation found that Harris had participated with Kwon in this fraud, asserting that Kwon had provided the services and signing verifications. Investigation revealed that Harris was travelling out of state on the dates in question. Kwon was previously sentenced for her part in the crime.

"Medicaid fraud takes dollars used to treat those in need," said Attorney General Cortez Masto. "We will continue to prosecute these crimes and send a message to all of those in the Medicaid program, providers and recipients alike, that Medicaid fraud will not be tolerated."

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes financial fraud by those providing healthcare services or goods to Medicaid patients. The unit also investigates and prosecutes instances of elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the

Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>



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UnitedHealth To Pay \$1 Million Fine As a Result of Prohibited Acquisition Activity In Nevada

LAS VEGAS—UnitedHealth Group Incorporated (“United”), the largest single health insurance carrier in the United States, is paying a \$1 million fine and agreeing to injunctive relief as a result of allegedly engaging in prohibited acquisition activity of Fiserv Nevada, Inc. (“Fiserv Nevada”). The acquisition activity was prohibited by a federal court order, called a Stipulated Final Judgment (“Judgment”), in an earlier lawsuit filed by Nevada Attorney General Masto that involved United’s 2008 acquisition of Sierra Health Services, Inc. (“Sierra”).

“Through my office’s 2008 antitrust law enforcement action, United was permitted to acquire its local competitor Sierra,” said General Masto. “But the United/Sierra transaction was subject to many strict conditions. One condition was that United could not acquire another local company, Fiserv Nevada, given our competitive concerns in 2008. Based on investigating United’s compliance with this condition, we have concluded United failed to deliver on its promises to us regarding Fiserv Nevada.”

In early 2008, Fiserv Nevada, a company owned by Fiserv Inc. (“Fiserv”), helped its customers, comprised of various large employers in the State of Nevada, administer the health care benefits those employers offered to their employees. For instance, Fiserv Nevada processed the claims that its customers’ employees incurred whenever the employees saw a health care provider. When the Nevada Attorney General was investigating the United/Sierra transaction, United announced it would also be purchasing the health-related businesses of Fiserv, including Fiserv’s Nevada-based customers. Given the United/Fiserv transaction would reduce competition in the State of Nevada, the Nevada Attorney General had concerns about its local competitive effects and how it may impact United’s overall market presence in the State of Nevada if United’s proposed acquisition of Sierra were to occur. As a result, the Nevada Attorney General required assurance that United would not acquire or merge with Fiserv Nevada,

and placed additional restrictions on joint venture activity. This prohibition was ultimately reflected in the court approved Judgment involving the United/Sierra transaction.

According to a new settlement agreement with United filed in court on this matter, United engaged in the following conduct which allegedly violated the Judgment:

- In 2008, United acquired, through a series of assignments, all but one of Fiserv Nevada's active customers; moreover, United exerted near total control on all of these customers before the assignments occurred, which confused Fiserv Nevada's customers;
- United acquired or controlled all of Fiserv Nevada's employees;
- United acquired virtually all of Fiserv Nevada's other assets, including Fiserv Nevada's office space, equipment, and data;
- As a result of these efforts, Fiserv Nevada ceased to do business, as demonstrated by Fiserv Nevada surrendering its license to perform third party administration of insurance in the State of Nevada.

"Although United denies it acquired Fiserv Nevada as prohibited by the Judgment, we feel its actions as reflected in internal company documents demonstrate a violation," said General Masto. "The Judgment also provided for the payment of fines if United were to violate it, up to \$100,000 per intentional violation. Hence, we feel a \$1 million payment is appropriate, particularly in light of other relief. We are also seeking court approval for Judgment amendments to tighten up its monitoring mechanisms and hence deter possible future non-compliance."

In addition to paying the \$1 million fine, United has agreed to other relief, including the following:

- The fine's proceeds shall be provided to Nevada agencies or charitable organizations dedicated to improving the quality of or access to health care in Nevada;
- Payment of attorneys fees and costs related to investigating the Fiserv Nevada activity (approximately \$125,000 as of December 2010);
- Notification of proposed acquisitions by United which significantly involve Nevada health care markets; and
- Modifications of United internal policies to protect the confidential data belonging to its Nevada-based customers previously with Fiserv Nevada, of which non-compliance can be deemed a Judgment violation.

"We appreciated the cooperation of United during this Judgment compliance investigation," said General Masto. "However, United, as is the case for any company we enter into a settlement with, must be held accountable for any alleged violations of the Judgment's terms. As a law enforcement agency, we vigorously enforce all of our antitrust and consumer protection settlements."



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FOR IMMEDIATE RELEASE
DATE: June 23, 2011

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THE OFFICE OF THE NEVADA ATTORNEY GENERAL JOINS 36 STATE ATTORNEYS GENERAL TO REACH \$40.75 MILLION SETTLEMENT WITH GLAXOSMITHKLINE AND SB PHARMCO

Las Vegas, NV- The Office of the Attorney General has announced that it was joining 36 other state Attorneys General and the District of Columbia to reach a \$40.75 million settlement with GlaxoSmithkline, LLC (GSK) and SB Pharmco Puerto Rico, Inc. (SB Pharmco) arising from alleged substandard manufacturing processes.

In a complaint filed today along with the settlement agreement, Attorney General Masto alleged that GSK and SB Pharmco engaged in unfair and deceptive practices when they manufactured and distributed certain lots of Kytril (a sterile drug used to prevent nausea and vomiting caused by cancer chemotherapy and radiation therapy), Bactroban (an antibiotic ointment used to treat skin infections), Paxil CR (the controlled release formulation of the popular antidepressant drug, Paxil), and Avandamet (a combination Type II diabetes drug) that were adulterated because the manufacturing processes used to produce these lots were substandard.

“My fellow Attorneys General and I are working to ensure that consumers are protected from deceptive trade practices,” said Attorney General Masto. “People rely on the pharmaceutical industry to keep them well and should not have to worry about substandard manufacturing processes.”

GSK and SB Pharmco are no longer manufacturing drugs at their Cidra facility, which has been closed since 2009. As a result of the settlement, GSK and SB Pharmco are enjoined from making false, misleading or deceptive claims regarding the manufacturing of all drugs formerly manufactured at the Cidra facility regardless of where these drugs are now produced. In addition, the companies must not misrepresent those drugs’ characteristics, or cause likelihood of confusion or misunderstanding about the way in which they are manufactured.

Consumers should note that there is no current cause for concern regarding the drugs covered by this agreement because all adulterated batches have been recalled for many years and/or

the product's expiration date has passed. If consumers do have concerns they should contact their health care provider.

Illinois Attorney General Lisa Madigan and Oregon Attorney General John Kroger led the investigation into GSK and SB Pharmco's manufacturing practices. The Attorneys General of the following states and the District of Columbia participated in the settlement: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Vermont, Washington, West Virginia and Wisconsin.

Nevada will receive \$ 688,192 in payment from the settlement.



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FOR IMMEDIATE RELEASE

DATE: June 30, 2011

Contact: Edie Cartwright

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PURRFECT AUTO ORDERED TO PAY RESTITUTION AND CIVIL PENALTIES

Las Vegas, NV— Attorney General Catherine Cortez Masto announced today that the owner of an auto repair business in Las Vegas known as Purrfect Auto has been ordered to pay restitution and civil penalties to resolve complaints against it. The Attorney General's Bureau of Consumer Protection launched an investigation against Mr. Shafik Hirji, the owner of several Purrfect Auto Service franchises, in 2006 in response to complaints filed by customers, which alleged that Hirji had engaged in deceptive trade practices.

Following a hearing, the Honorable Mark Denton, District Judge of the Eighth Judicial District, ordered that: (1) Hirji pay restitution in the amount of more than \$118,000, plus amounts the Bureau of Consumer Protection paid to various Purrfect Auto stores in the course of its investigation; (2) Hirji pay civil penalties in the amount of \$100,000 for violations of the deceptive trade practice laws; (3) Hirji be permanently enjoined from engaging in the auto repair business, unless such business is conducted openly and transparently and in accordance with all local ordinances and state laws; and (4) Hirji pay attorneys' fees in the amount of \$75,000 and other costs.

Additional consumer protection information can be found on the Attorney General's web site at <http://ag.state.nv.us> and at (702) 486-3194.

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FOR IMMEDIATE RELEASE

DATE: June 30, 2011

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GROCERY COUPON RADIO AD ALERT

Carson City, NV – The Office of the Attorney General reports a radio advertisement is being aired in Nevada offering \$2,000 in grocery coupons for shopping. Consumers are directed to call a toll-free telephone number which goes to an inbound telemarketing company.

When calling the number, the consumer will be asked to provide his or her credit card information. A packet will be mailed with information, either offering or actually signing the consumer up for a variety of “programs” which can cost the consumer hundreds of dollars if he or she does not call and cancel the services within a few days. The packets do not include \$2,000 in grocery coupons and the consumer will be charged a fee “for shipping and handling” of the information packet.

The packet directs the consumer to GrocerySavers.com. While GrocerySavers is a legitimate coupon provider, the coupons it provides are not free. They cost 10% of the face value of the coupons plus a service charge. The offer of \$2000 in grocery coupons will ultimately cost the consumer \$200 plus shipping and handling. Many of the coupons offered can be obtained free at the merchant’s or manufacturer’s websites.

The Attorney General warns citizens to be alert to “free” offerings. Never provide information about your credit cards, bank accounts, or other financial information to persons unknown to you. A quick search on the Internet about a company or its offers can prevent you from being a victim.



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FOR IMMEDIATE RELEASE

DATE: July 7, 2011

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MULTISTATE WORKING GROUP AGREES TO \$92 MILLION SETTLEMENT WITH JP MORGAN CHASE OVER ANTICOMPETITIVE MUNICIPAL BOND DERIVATIVES SCHEME

Las Vegas, NV – The Office of the Nevada Attorney General has announced a \$92 million settlement with JP Morgan Chase & Co. (“JPMC”) as part of an ongoing nationwide investigation of alleged anticompetitive and fraudulent conduct in the municipal bond derivatives industry.

As part of the multistate settlement, JPMC has agreed to pay \$65.5 million in restitution to affected state agencies, municipalities, school districts and not-for-profit entities nationwide that entered into municipal derivative contracts with JPMC between 2001 and 2005. In addition, JPMC agreed to pay a \$3.5 million civil penalty and \$6 million in fees and costs of the investigation to the settling states.

Nevada entities expected to receive restitution under the settlement include Clark County and McCarran International Airport.

The state settlement also provides that JPMC will pay \$17 million in restitution directly to certain other government and not-for-profit entities as part of separate agreements it entered into today with the U.S. Securities and Exchange Commission and the Office of the Comptroller of the Currency.

The state, SEC and OCC settlements are distinct components of a coordinated global \$228 million settlement that JPMC entered into today. JPMC also reached agreement with the U.S. Department of Justice’s Antitrust Division, the Internal Revenue Service and the Federal Reserve Board. JPMC is the third financial institution to settle with a multistate working group in the ongoing municipal bond derivatives investigation following Bank of America and UBS AG. To date, the state working group has obtained settlements worth close to \$250 million.

“JP Morgan Chase was alleged to have engaged in anticompetitive and other fraudulent conduct to create the illusion of a free market in financial transactions it entered with municipal bond issuers,” Attorney General Masto said. “This conduct will not be tolerated, particularly given the significant financial difficulties many government entities currently face.

I am pleased to work with other states and the federal government in securing this settlement against JP Morgan Chase.”

Municipal bond derivatives are contracts that tax-exempt issuers use to reinvest proceeds of bond sales until the funds are needed, or to hedge interest-rate risk. In April 2008, the states began investigating allegations that certain large financial institutions, including national banks and insurance companies, and certain brokers and swap advisors, engaged in various schemes to rig bids and commit other deceptive, unfair and fraudulent conduct in the municipal bond derivatives market.

The investigation, which is still ongoing, revealed collusive and deceptive conduct involving individuals at JPMC and other financial institutions, and certain brokers with whom they had working relationships. The wrongful conduct took the form of bid-rigging, submission of non-competitive courtesy bids and submission of fraudulent certifications of compliance to government agencies, among others, in contravention of U.S. Treasury regulations.

Regardless of the means used to carry out the various schemes, the objective was to enrich the financial institution and/or the broker at the expense of the issuer - - and ultimately taxpayers - - depriving the issuer of a competitive, transparent marketplace. As a result of such wrongful conduct, state, city, local, and not-for-profit entities entered into municipal derivatives contracts on less advantageous terms than they would have otherwise.

Other states joining Nevada in the JPMC settlement include Alabama, California, Colorado, Connecticut, District of Columbia, Florida, Idaho, Illinois, Kansas, Maryland, Massachusetts, Michigan, Missouri, Montana, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Tennessee and Wisconsin.



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FOR IMMEDIATE RELEASE

DATE: July 11, 2011

Contact: Edie Cartwright

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INDICTMENTS ANNOUNCED IN AUTOMOTIVE REPAIR SCAM

Las Vegas, NV – The Office of the Nevada Attorney General has announced indictments against Harold Gomez, Yader Gomez a.k.a. Tony Gomez, and Jose Gomez on multiple theft charges arising from their operation and involvement in an automotive repair shop named 702 Auto Care located in Las Vegas, Nevada.

The indictment alleges that Harold Gomez, Jose Gomez, and Yader Gomez intentionally and falsely misrepresented to the customers of 702 Auto Care that their vehicles would be repaired in exchange for payment. The State alleges that that the defendants never intended to repair these vehicles, that the repairs were not performed and the victims' payments were not returned.

“This type of scam costs the victims much more than the amount they paid to the defendants,” said Attorney General Catherine Cortez Masto. “Several of these victims were left without transportation for several months and their vehicles required costly repairs beyond those originally needed because of defendants' actions. My office is committed to ensuring that this type of conduct does not continue in our State.”

Harold Gomez was indicted on one (1) count of theft – obtaining money in the amount of \$2,500 or more by material misrepresentation against a person 60 or older in violation of NRS 205.0832(1), NRS 205.0835(4), and NRS 193.167; four (4) counts of theft – obtaining money in the amount of \$2,500 or more by material misrepresentation in violation of NRS 205.0832(1) and NRS 205.0835(4); and two (2) counts of theft – obtaining money in excess of \$250 but less than \$2,500 by material misrepresentation in violation of NRS 205.0832(1), NRS 205.0833, and NRS 205.0835(3). Jose Gomez was indicted on one (1) count of theft – obtaining money in the amount of \$2,500 or more by material misrepresentation in violation of NRS 205.0832(1) and NRS 205.0835(4); and one (1) count of theft – obtaining money in excess of \$250 but less than \$2,500 by material misrepresentation in violation of NRS 205.0832(1), NRS 205.0833, and NRS 205.0835(3). Yader Gomez was indicted on two (2) counts of theft – obtaining money in the amount of \$2,500 or more by material misrepresentation in violation of NRS 205.0832(1) and NRS 205.0835(4).

The case was investigated by the Department of Motor Vehicles after numerous complaints were received about misrepresentations made by Harold, Yader, and Jose Gomez. Among those complaints were individuals that had paid several thousand dollars to defendants for engine rebuilds or replacements which were never received. The Attorney General's Bureau of Consumer Protection is prosecuting the matter.

The indictment is not a determination of guilt or innocence but is simply a finding of probable cause that a crime was committed. The defendants are presumed innocent until proven guilty.

Anyone who has information regarding this case should contact the Attorney General's Office at (702) 486-3777.

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FOR IMMEDIATE RELEASE

DATE: July 27, 2011

Contact: Edie Cartwright

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HEALTHCARE WORKER JIANZHU LIANG SENTENCED FOR MEDICAID FRAUD

Las Vegas – The Office of the Nevada Attorney General reports that Las Vegas Jianzhu Liang, age 51, was sentenced for Medicaid Fraud. Liang pled guilty to a gross misdemeanor offense: Intentional Failure to Maintain Adequate Records. Liang was sentenced to 60 days in jail, suspended, 3 years of probation, performance of 40 hours of community service and payment of \$9,220.00 in restitution, penalties, and costs. The case was investigated and prosecuted by the Attorney General’s Medicaid Fraud Control Unit (MFCU).

“We benefit our neediest citizens and protect the Medicaid system when we prosecute anyone who would defraud the system and steal Medicaid dollars,” said Attorney General Catherine Cortez Masto.

In 2010, Nevada Medicaid provided information to the MFCU that Liang was suspected of not providing personal care services to a Medicaid recipient for which she had nonetheless still received payment from Medicaid. Medicaid has a personal care assistant program to keep people living independently in their own homes by providing basic services, including bathing, dressing, cleaning and meal preparation. Liang was employed by a home care company to provide the actual day-to-day care for two recipients. It was discovered that Liang indeed failed to provide care services for the patients for whom she was employed, yet claimed that she performed the services and received payment as if she had actually performed the services.

Persons convicted of Medicaid fraud may also be excluded from future Medicaid participation.

The Nevada Attorney General’s Medicaid Fraud Control Unit investigates and prosecutes financial fraud by those providing healthcare services or goods to Medicaid patients. The unit also investigates and prosecutes instances of elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General’s web site: <http://ag.state.nv.us>



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FOR IMMEDIATE RELEASE
DATE: July 29, 2011

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UNION WORKERS CREDIT SERVICES ALERT

Carson City, NV - The Office of the Nevada Attorney General is alerting Nevada consumers that they may be receiving offers in the mail from Union Workers Credit Services indicating that the consumer is qualified to receive a "Platinum Card" membership with a "GUARANTEED PRE-APPROVED \$10,000 credit limit" at a "LOW, LOW interest rate of 5% APR." Also included is the sentence, "You don't have to worry if you have previously been denied credit by MasterCard or Visa" (in bold letters).

This advertisement is not an offer for a MasterCard or Visa credit card. It is an offer to purchase a membership in a "buying club" where members can purchase items with the "Platinum Card" on credit. The membership alone costs \$37.00 per year. Consumers will not be able to purchase merchandise or services from any other location.

"Citizens should carefully read any offer of credit to make sure that the offer is for a credit card and not a disguised offer for something else," said Attorney General Catherine Cortez Masto. "Consumers should read every word in the offer - not just the bold and capitalized words. They should be sure to read the fine print, then check the business on the Internet."

These companies rely on the casual reader who fails to verify the advertisement or the company's reputation and often cause people to purchase goods and services they really don't want. Be a smart consumer and read carefully before responding and check the company with agencies such as the Better Business Bureau.



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FOR IMMEDIATE RELEASE

DATE: August 1, 2011

Contact: Edie Cartwright

775.684.1189

HEALTHCARE WORKER TAMMY MURPHY SENTENCED FOR MEDICAID FRAUD

Las Vegas – The Office of the Nevada Attorney General reports today that Las Vegas Tammy Murphy was sentenced for Medicaid Fraud. Murphy pled guilty to a gross misdemeanor offense: Intentional Failure to Maintain Adequate Records. Murphy was sentenced to 30 days in jail, suspended, 3 years of probation, performance of 40 hours of community service and payment of \$1,279.00 in restitution, penalties and costs. The case was investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit (MFCU).

In 2009, the MFCU received information from a citizen who claimed that Murphy was not providing personal care services to a Medicaid recipient for which she was nonetheless still receiving payment from Medicaid. Medicaid has a personal care assistant program to keep people living independently in their own homes by providing basic services, including bathing, dressing, cleaning and meal preparation. Murphy was self-employed as a live-in care provider to provide the actual day-to-day care for the recipient. It was discovered that Murphy indeed failed to provide care services for the patient for whom she was employed, yet claimed that she performed the services and received payment as if she had actually performed the services.

"In order to protect the Medicaid system, the public funds that support it and the health and well being of Medicaid recipients, every instance of Medicaid fraud must be investigated and prosecuted where fraud is proved," said Attorney General Catherine Cortez Masto.

Persons convicted of Medicaid fraud may also be subject to exclusion from future Medicaid participation.

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes financial fraud by those providing healthcare services or goods to Medicaid patients. The unit also investigates and prosecutes instances of elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control

Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>



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FOR IMMEDIATE RELEASE
DATE: August 5, 2011

Contact: Edie Cartwright
775.684.1189

LOCAL MAN SENTENCED IN CONNECTION WITH MORTGAGE SCAM

Las Vegas, NV – , The Office of the Nevada Attorney General announced today that a local man was sentenced to prison in connection with a mortgage scam involving Nevada homeowners.

Judge Linda Bell sentenced Joseph Lawrence Yorkus, age 50, to a maximum of 102 months with a minimum of 24 months in the Nevada State Prison and ordered him to pay restitution to the victims in the amount of \$346,155.15 for schemes relating to mortgage fraud, mortgage rescue fraud, credit repair and collection enterprises.

“Mr. Yorkus took advantage local homeowners who were already struggling to make their monthly mortgage payments,” said Attorney General Catherine Cortez Masto. “He stole those payments and placed these homeowners in peril of losing their homes.”

Yorkus created several businesses including Great Western Business Services, Sundance Consulting, BAC Collections, Learn Your Rights and Fresh Start Consulting and used them to obtain money from unsuspecting homeowners, placing them in jeopardy of losing their residences. He pled guilty to one count of Mortgage Fraud for his part in sending correspondence to local homeowners advising them that their mortgages, which were legally held by Bank of America, had been transferred to his company, Great Western, and advised them that future mortgage payments should be made to Great Western.

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FOR IMMEDIATE RELEASE

DATE: August 16, 2011

Contact: Edie Cartwright

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TWO MEN SENTENCED IN CONNECTION WITH MORTGAGE SCAM

Las Vegas, NV – The Nevada Attorney General’s Office announced today that Joseph Lawrence Yorkus and James Robert Bartczak were sentenced in connection with a mortgage scam involving Nevada homeowners.

Judge Donald Mosely sentenced Yorkus, age 50, to 48 months in the Nevada State Prison and ordered him to pay restitution to the victims in the amount of \$346,155.15 for schemes relating to mortgage fraud, mortgage rescue fraud, credit repair and collection enterprises. Yorkus was recently sentenced to a maximum of 102 months with a minimum of 24 months in Nevada State Prison in a separate case involving mortgage fraud schemes. Yorkus’ sentences will run consecutively.

Bartczak, age 49, was sentenced to three years probation for his role in the same schemes and was ordered to pay restitution to the victims in the amount \$37,021.23. Neither man is allowed to operate a loan modification company or related business for the period of their probation.

“Many of the victims that sought help in modifying their loans were already in difficult circumstances, which were made worse by Mr. Yorkus and Mr. Bartzack.” said Attorney General Catherine Cortez Masto. “These individuals took advantage of struggling homeowners and placed them in peril of losing their homes.”

Yorkus created several businesses including Great Western Business Services, Sundance Consulting, BAC Collections, Learn Your Rights and Fresh Start Consulting and used them to obtain money from unsuspecting homeowners who were in jeopardy of losing their residences. Yorkus pled guilty to one count of Theft for his part in misrepresenting to the victims that he would assist in modifying their mortgages in exchange for payments and, in some instances, directing victims to make their mortgage payments directly to him rather than their lender. Yorkus did not provide the victims loan modification services and did not remit the victims mortgage payments to the lender. Bartzack assisted Yorkus in operating this fraud by acting as an interface with the victims. Bartzack pled guilty to Attempted Theft.

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FOR IMMEDIATE RELEASE
DATE: August 28, 2011

Contact: Edie Cartwright
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FORMER LONG TERM CARE OWNER SENTENCED

Las Vegas, NV – The Office of the Attorney General announced today that Nellie Magtaas was sentenced for Neglect of Duty in Willful or Wanton Disregard of Safety of Person or Property, a gross misdemeanor offense. Ms. Magtaas was formerly the owner of Garden of Eden Home Care, a residential facility for elderly people. Judge Melisa De La Garza sentenced Ms. Magtaas' to 30 days in jail, suspended, one year probation and payment of a \$250.00 fine.

“We have an obligation to assist our elderly citizens and to ensure they are receiving proper care and attention,” said Attorney General Catherine Cortez Masto. “Prosecuting these cases promotes safe living environments for our elderly.”

Ms. Magtaas was formerly the owner of Garden of Eden Home Care. The Bureau of Health Care Quality and Compliance (BHCQC) responded to a complaint concerning a resident who fell at the facility. Upon arriving at the facility and surveying the situation, the BHCQC surveyor contacted the Aging and Disabilities Service Division (ADSD). A referral was then made to the Attorney General's Office, Medicaid Fraud Control Unit (MFCU). The Attorney General's office worked in conjunction with ADSD and BHCQC to ensure that Ms. Magtaas was held accountable for the actions that occurred at the facility following the resident's fall.

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes instances of elder abuse or neglect. The unit also investigates and prosecutes financial fraud by those providing healthcare services or goods to Medicaid patients. Anyone who has information regarding this case or wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>



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FOR IMMEDIATE RELEASE
DATE: August 30, 2011

Contact: Edie Cartwright
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ATTORNEY GENERAL SEEKS TO TERMINATE COUNTRYWIDE SETTLEMENT

Carson City: - The Attorney General of Nevada has requested permission to amend her Complaint against Bank of America (and its subsidiaries, including Countrywide) adding additional claims relating to mortgage origination and servicing.

The Second Amended Complaint continues to assert violations of the Consent Judgment entered into between the State of Nevada and Countrywide to resolve Countrywide's liability for fraudulent mortgage lending, marketing and servicing, including:

- failing to provide loan modifications to eligible borrowers;
- failing to make decisions on loan modifications, on average, within sixty days of receiving requests from Nevada consumers; and
- initiating or proceeding with foreclosures while consumer's modifications requests were pending.

In addition, the Amended complaint contains new allegations that Bank of America violated the Consent Judgment, namely that Bank of America:

- increased consumers' interest rates and monthly payments, even though the Consent Judgment allows only modifications that decrease consumers' interest rates, actually leaving consumers worse off.
- required consumers to provide extensive documentation – including pay stubs, tax returns, and sworn affidavits -- to qualify for modifications, despite the Consent Judgment's promise of streamlined modifications.

Based on the original and new violations, the State added a new request for relief – that the Court find Bank of America to have materially breached the Consent Judgment, allowing the State to terminate the Judgment. The State's Motion for Leave to Amend states with these additional violations, the State considers Defendants' disregard for their duties under the Consent Judgment so pervasive that they constitute a material breach warranting dissolution of

that Judgment. After two and a half years of lost implementation – of borrowers denied modifications, discouraged by repeated and futile efforts to obtain help, or already subject to foreclosure – the State no longer can get the benefit of its original settlement with Defendants.

Upon terminating the Consent Judgment, the State would be released to pursue its original claims against Countrywide for consumer fraud in originating, marketing and servicing mortgage loans. In that regard, the Complaint alleges that Countrywide failed to disclose and affirmatively misrepresented that loans like its Payment Option Adjustable Rate Mortgages (“Option ARMS”) and Hybrid Adjustable Rate Mortgages (“Hybrid ARMS”) were originated at low teaser rates, in effect only for a short time, and that payment on these loans would increase dramatically – often more than double the original rate – when the teaser period expired or the loans reset or recast. In addition, Countrywide did not disclose that consumers who made only a minimum payment, based on that low teaser rate, would experience negative amortization, which would cause them to fall deeper in debt. These features, which made the loans unaffordable, created the need for many Nevada customers of Bank of America to seek loan modifications.

The Second Amended Complaint continues to allege that Bank of America engaged in deceptive practices through a pattern and practice of misrepresentations regarding its loss mitigation and foreclosure practices, including by falsely:

- promising consumers that their trial modifications would be made permanent if and when they made their required payments, but then failing to convert those modifications;
- assuring consumers that their homes would not be foreclosed while their requests for modifications were pending, but going ahead with foreclosures anyway; and
- representing whether consumers were eligible for modifications, whether and on what terms they had been approved for modifications, and why their modification requests had been declined.

The Second Amended Complaint notes interviews with Bank of America consumers, former employees, and other third parties that confirm that the modification process was understaffed, wrought with technical problems, and not oriented to customers. The Complaint also asserts that Bank of America directed employees to spend no more than 7-10 minutes on average with each consumer, leaving them no time to fully or accurately answer questions or provide explanations or offer assistance.

Thus, the Second Amended Complaint alleges that Bank of America’s misconduct cuts across virtually every aspect of its operations – from originating to servicing and, all too often, to foreclosing on the loans and homes of Nevada consumers. Countrywide misrepresented the nature and terms of their mortgage loans, ensnaring Nevada consumers in loans that they did not understand and could not repay. When consumers defaulted on these loans, Bank of America misrepresented whether, when, and how they would modify these loans. When they failed to deliver this promised relief, Bank of America provided to Nevada consumers, recorded and filed with Nevada courts fraudulent documents as they moved, sometimes without authority, to foreclose on homes that never should have been bought.

Finally, the State alleges that Defendants’ deceptive practices have resulted in an explosion of delinquencies and unauthorized and unnecessary foreclosures in the State of Nevada, stripping homeowners of their assets (including those who do not have loans originated or serviced by Defendants, but whose property values have fallen dramatically), dislocating families, blighting neighborhoods, and deeply disrupting the State’s housing market.

State of Nevada v. Bank of America Corporation is currently pending in the Nevada District Court before Chief Judge Robert C. Jones. Case No. CV-11-135-RCJ-RAM.



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FOR IMMEDIATE RELEASE
DATE: August 31, 2011

Contact: Edie Cartwright
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NEVADA ATTORNEY GENERAL JOINS MULTISTATE LETTER TO DETER ADVERTISING RELATED TO HUMAN TRAFFICKING

CARSON CITY, NV: The Office of the Nevada Attorney General announced today that it has joined with 45 other attorneys general in a letter to Backpage.com requesting removal of advertising for adult services which has resulted in instances of sex trafficking, including situations involving minors.

Backpage.com, owned by Village Voice Media, LLC, is the top provider of “adult services” internet advertisements, including advertisements about services available at various cities and towns located within Nevada. The attorneys general allege that the Backpage.com adult service advertisements “are a hub for illegal sex ads and are a magnet for those seeking to exploit minors” and points to more than 50 cases, in 22 states over three years, involving the trafficking or attempted trafficking of minors through Backpage.com.

“These are only the stories that made it into the news; many more instances likely exist,” the attorneys general wrote. They also reminded Backpage.com of a 2010 request from nearly two dozen attorneys general asking that the adult services site be taken down. “Traffickers who exploit runaways and other disadvantaged kids shouldn’t be provided with a tool that makes that process so much easier. The only way for Backpage.com to completely stop child sex trafficking on its site is to take down adult services advertisements altogether and take aggressive steps to be sure such posts don’t appear elsewhere on the site,” the letter stated.

“This is not about prostitution, it is about human trafficking and exploitation of minors” said Attorney General Masto. “It is incredible that any national publication would defend that it has a right to profit from such illegal activities

In many cases involving human trafficking related to Backpage.com advertising, law enforcement finds that minors were coerced and forced into performing sex acts with “customers.”

Village Voice board member Don Moon readily acknowledges prostitution ads appear on the Backpage.com web site. In a June 29 article published nationally by the Village Voice, the

corporation criticized those concerned about child sex trafficking as “prohibitionists bent on ending the world’s oldest profession,” acknowledging that, as a seller of adult services ads, “Village Voice has a stake in this story.”

Industry analysts suggest that Village Voice’s stake in adult services advertisements is worth about \$22.7 million in annual revenue. While Backpage.com has ramped up its effort to screen some ads for minors, the attorneys general involved in today’s letter believe that “Backpage.com sets a minimal bar for content review in an effort to temper public condemnation, while ensuring that the revenue spigot provided by prostitution advertising remains intact.”

The letter from state attorneys general makes a series of requests to Backpage.com to provide evidence to substantiate the claim that the company enforces policies to prevent illegal activity. The attorneys general also ask that Backpage.com to provide how many of those advertisements were individually screened for illegal activity, how many were rejected and how many were removed after being discovered to be for illegal services.

In 2008, 42 attorneys general reached an agreement with Craigslist to crack down on illegal listings, in an effort to reduce crimes like human trafficking. Craigslist ultimately removed its “erotic services” section altogether in May 2009. In September, 2009, 21 attorneys general wrote Backpage.com to request that the adult services section be closed. Backpage.com refused to comply. Attorney General Masto commented: “I hope that Backpage.com takes our requests more seriously this time. Lives literally depend on it.”

The states signing on to today’s letter are Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wyoming and the territory of Guam.



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FOR IMMEDIATE RELEASE
DATE: August 31, 2011

Contact: Edie Cartwright
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U.S. DISTRICT COURT JUDGE LARRY R. HICKS NAMED 2011 WILLIAM J. RAGGIO AWARD RECIPIENT

Carson City, NV -- Attorney General Catherine Cortez Masto and the Nevada Advisory Council for Prosecuting Attorneys have named U.S. District Court Judge Larry R. Hicks as recipient of the William J. Raggio Award for 2011. This award is presented annually to a current or former prosecutor who has contributed significantly to the improvement of the administration of justice in Nevada.

Judge Hicks is being recognized for his distinguished service as a dedicated prosecutor and judge in Nevada, and his strong commitment to justice for all people. He served as Deputy District Attorney of Washoe County before being elected District Attorney in 1974. He was a partner with the McDonald Carano law firm until his appointment as U.S. District Court Judge in 2001. Judge Hicks will be presented the William J. Raggio Award during the Nevada Prosecutors Conference in South Lake Tahoe on September 14.

The award is named in honor of former Washoe County District Attorney and former Senator William J. Raggio. Previous recipients are: Senator Raggio in 1998, Ben Graham in 1999, Thomas L. Leen in 2000, William T. Koot in 2001, Mills B. Lane in 2003, Melvyn T. Harmon in 2004, Howard D. McKibben in 2005, Noel Waters in 2006, Kristin Erickson in 2007, Richard A. Wagner in 2008, James H. Tuffeland in 2009, and Archie E. Blake in 2010. Frankie Sue Del Papa and Stewart Bell were co-recipients of the award in 2002.

The Nevada Advisory Council for Prosecuting Attorneys is an executive branch state agency created pursuant to NRS chapter 241A with a broad statutory mandate to provide leadership, resources and legislative advocacy on legal and public policy issues related to the duties of Nevada's prosecutors. Attorney General Masto serves as Chairperson of the Advisory Council.

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FOR IMMEDIATE RELEASE
DATE: September 6, 2011

Contact: Jennifer López
702-486-3782

ATTORNEY GENERAL ANNOUNCES INDICTMENTS IN MORTGAGE REFINANCING SCAM

Las Vegas, NV – The Office of the Nevada Attorney General announced an indictment today against Shafik Hirji, 53, who unlawfully obtained financing on the home of one of his acquaintances. Hirji, of Las Vegas, was indicted on three counts of forgery and one count of theft for obtaining a loan on the victim’s home and embezzling the proceeds.

The indictment alleges that Hirji completed loan documents in the homeowner’s name and used them to effectuate the loan transaction. In the process, Hirji induced a notary public to certify that the signatures contained on the documents were true and then presented these documents to the lender. The indictment further alleges that Hirji retained the proceeds of the loan, directing that they be deposited into a bank account under his control.

“The facts surrounding this particular crime are especially troubling,” said Attorney General Catherine Cortez Masto. “The fact that the owner was unaware his home had been refinanced indicates the crime was committed by someone the victim trusted. My office continues to place a high priority on prosecuting fraud in Nevada.”

The Nevada Attorney General’s Office Fraud Unit originally investigated the matter after receiving a complaint from the homeowner who indicated that he was unaware that his property had been refinanced until he received a notification from the new lender. The Attorney General’s Mortgage Fraud Unit is prosecuting the matter.

The indictment is not a determination of guilt or innocence but is simply a finding of probable cause that a crime was committed. The defendants are presumed innocent until proven guilty.

Anyone who has information regarding this case should contact the Attorney General’s Office at (702) 486-3777.

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FOR IMMEDIATE RELEASE
DATE: September 7, 2011

Contact: Jennifer López
702-486-3782

ATTORNEY GENERAL ANNOUNCES NEW PUBLIC INFORMATION OFFICER

LAS VEGAS, NV – Nevada Attorney General Catherine Cortez Masto today announced she has hired Jennifer López as Public Information Officer to succeed former Public Information Officer Edie Cartwright, who will be moving to the Reno office to oversee special projects as assigned by Cortez Masto.

"I am very happy to welcome Jennifer to my office," said Cortez Masto. "She is a long time Nevadan, who possesses a strong earned media, new media, and political background. I look forward to working with Jennifer."

"I'm delighted to continue to serve Nevadans and work for a leader, like the Attorney General, who is passionate about protecting and improving the lives of others," said López.

López most recently served as the Nevada Political Director for Organizing for America (OFA), and prior to that, she worked as the Nevada State Director for OFA since its inception in June 2009. In her role as a State Director, López was responsible for implementing OFA's programs in Nevada, fostering relationships with elected officials, labor/community leaders, and activists, and managing strategies for content creation, interaction/engagement, and account growth of OFA websites. After earning her master's in public communication from American University in May 2008, López joined Obama for America, in her home of Las Vegas, as the Nevada Deputy Political Director. She served for 3 ½ years as U.S. Senator Harry Reid's Nevada Deputy Press Secretary in Washington, D.C.

López earned a bachelor's degree in communication studies and political science from the University of Nevada, Las Vegas in 2005, where she was a McNair Scholar. She is an alumna of the National Hispana Leadership Institute's "Latinas Leading to Lead" program and an advisor to the Latina community service based sorority, Kappa Delta Chi Sorority Inc., which she chartered at UNLV in 2004. López is married to local educator Ricky D. Gourrier.

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FOR IMMEDIATE RELEASE
DATE: September 13, 2011

Contact: Jennifer López
702-486-3782

HEALTHCARE WORKER ROTASHA BATES SENTENCED FOR MEDICAID FRAUD

Las Vegas, NV – The Office of the Nevada Attorney General reports that Rotasha Bates, of Las Vegas, has been sentenced for Medicaid fraud. Bates, 27, pled guilty to a gross misdemeanor offense of Intentional Failure to Maintain Adequate Records. Bates was sentenced to 30 days in jail, suspended, 3 years of probation, performance of 20 hours of community service and payment of \$1,249.25 in restitution, penalties, and costs. The case was investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit (MFCU).

In September 2010, Nevada Medicaid provided information to the MFCU that Bates was suspected of not providing personal care services to a Medicaid recipient for which she had received payment from Medicaid. Medicaid has a personal care assistant program to keep people living independently in their own homes by providing basic services, including bathing, dressing, cleaning and meal preparation. Bates was employed by a home care company to provide the actual day-to-day care for a Medicaid recipient. It was discovered that Bates failed to provide services for the patient for whom she was employed, yet claimed she performed the services and received payment as if she had actually performed the services.

"Medicaid fraud cases represent a theft from taxpayer money and our neediest citizens," said Attorney General Catherine Cortez Masto, "Each case must be pursued in order to return that money to the Medicaid system and to the recipients who have an actual need for services. The Medicaid system must be protected and my office will continue to do all it can to do so. Medicaid fraud will be punished."

Persons convicted of Medicaid fraud may also be excluded from future Medicaid participation.

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes financial fraud by those providing healthcare services or goods to Medicaid patients. The unit also investigates and prosecutes instances of elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>



Rotasha Bates

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FOR IMMEDIATE RELEASE
DATE: September 26, 2011

Contact: Jennifer López
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NV ATTORNEY GENERAL STATEMENT ON SENTENCING OF ARTHUR JONES

Las Vegas, NV –Nevada Attorney General Catherine Cortez Masto today released the following statement after Arthur Gerald Jones pled guilty of Fraud in connection with application for drivers license (a Category E Felony):

“My office continually prosecutes Department of Motor Vehicles investigations involving false identification. The case against Arthur Jones is differentiated by the fact that he was able to conceal his true identity from family, friends and employers for nearly thirty years. Upon the eventual discovery that he used the social security number of another person to obtain a drivers license, the swift action of the Social Security Administration, the Nevada Department of Motor Vehicles and my office brought his use of the false identity to a stop within a matter of weeks. This bizarre case is another story in which someone committed a serious crime that defrauded the Social Security Administration and the Nevada Department of Motor Vehicles. My office has been working diligently to hold accountable those who victimize citizens and taxpayers.”

A sentence hearing has been scheduled for January 31, 2012 at 8:30 a.m., before Judge James Bixler.

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FOR IMMEDIATE RELEASE
DATE: Tuesday, September 27, 2011

Contact: Jennifer López
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ATTORNEY GENERAL ANNOUNCES FILING OF ASSURANCE OF DISCONTINUANCE WITH MORGAN STANLEY

*After AG's Investigation, Assurance Requires Morgan Stanley to Change Conduct, Refund and Cap
Interest Rates for Nevada Consumers*

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto today announced that she filed an Assurance of Discontinuance with Morgan Stanley Mortgage Capital Holdings (“Morgan Stanley”) to resolve an investigation into the firm’s role in purchasing and securitizing roughly 3,000 subprime mortgages in Nevada.

The Assurance requires Morgan Stanley to: (1) commit to certain practices to securitize Nevada mortgages, (2) to refund and adjust interest rates for certain Nevada borrowers, and (3) to pay \$7.2 million to prevent foreclosures and mortgage fraud in Nevada. The Assurance, filed in the Eighth Judicial District Court, will provide relief to between approximately 600 and 700 consumers and will provide relief valued at between \$21 million and \$40 million.

“Morgan Stanley’s deceptive practices hurt Nevada homeowners and played a role in our economy’s decline,” said Cortez Masto. “This is the first step in the right direction to protect consumers and put an end to this financial firm’s egregious behavior.”

The Nevada Attorney General’s investigation centered on potential misrepresentations by lenders, including New Century Financial Corporation, to Nevada consumers who took out subprime loans that were bought and securitized by Morgan Stanley. These include whether lenders deceived consumers about the actual interest rate and payments on their loans, the appraised value of their property, and the potential payment shock when an initial teaser rate expired. The investigation also examined whether lenders originated loans with multiple risk features that allowed them to lower borrowers’ payments, but not their debt. These layered risks included loans that were adjustable rate, stated income, interest-only, 100% financed, had extended amortization periods, and/or qualified borrowers at the initial teaser rate, not the adjusted rate that would be in effect for most of the loan’s term.

The Nevada Attorney General also examined the extent to which Morgan Stanley was aware of these subprime lenders’ allegedly deceptive practices through its due diligence process and whether Morgan Stanley substantially assisted these lenders by financing and purchasing their loans. Morgan Stanley neither admits nor denies any wrongdoing.

The Assurance includes the following elements:

Conduct Provisions

Going forward, Morgan Stanley will only finance, purchase, or securitize Nevada subprime mortgage loans if it has engaged in a “reasonable review” of such loans and determined that such loans comply with the Nevada Deceptive Trade Practices Act. This means Morgan Stanley will not securitize a loan where it has reason to believe that:

- a. the lender has not adequately disclosed to the borrower the existence of an initial teaser rate, the maximum adjusted interest rate or payments, and the potential for payment shock if payments increase after a loan reset; or
- b. the borrower’s stated income was intentionally overstated or that the stated income is not reasonable and that income was off by 10% or more; or
- c. the appraisal provided by the lender was intentionally overstated by 10% or more.

Refunds and Interest Rate Caps for Nevada Consumers

Morgan Stanley will provide the following assistance to borrowers:

- a. effectively cap the interest rates for eligible borrowers (whose interest rate has not already been adjusted) at a fixed interest rate that is no more than the initial teaser rate on those mortgages;
- b. refund to eligible borrowers interest payments above the initial teaser rate;
- c. make payments to eligible borrowers who defaulted on their loans after the interest rate reset; and
- d. make payments to eligible borrowers for whom value of their properties, as determined by a broker price opinion, differed from the amount borrowed by more than 5%.

Borrowers eligible for relief will be notified by Morgan Stanley. No application or qualification process will be required. Borrowers with questions can call Morgan Stanley at 888-714-2404. Approximately 600 to 700 Nevada borrowers will be eligible for payments or interest rate adjustments (depending upon how many borrowers already received modifications). Only borrowers whose loans were financed or acquired by Morgan Stanley are covered by this Assurance.

The Attorney General's office will monitor Morgan Stanley’s compliance throughout this process. The settlement requires Morgan Stanley to make regular reports to the Attorney General’s Office to ascertain if future enforcement action by the Nevada Attorney General’s office is necessary.

Homeowners with questions about today’s filing should contact the Attorney General’s Office at 702-486-3132. When prompted, select option “9”.

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FOR IMMEDIATE RELEASE
DATE: September 29, 2011

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ATTORNEY GENERAL CORTEZ MASTO AND ASSEMBLY MAJORITY LEADER CONKLIN ANNOUNCE NEW 'FORECLOSURE FRAUD REFORM' BILL TO TAKE EFFECT OCTOBER 1

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto and Nevada Assembly Majority Leader Marcus Conklin announced that the new 'Foreclosure Fraud Reform' law will take effect on October 1, 2011.

“This new law helps protect Nevadans from improper foreclosures and protects the integrity of the system for homeowners,” said Cortez Masto. “I was pleased to work with Majority Leader Conklin on this important bill that creates security, legitimacy, and transparency in the foreclosure process. Assembly Bill 284 will protect the Silver State’s housing market by ensuring homeowners and prospective purchasers can get a clean chain of title and are treated more fairly.”

“There have been widespread instances of foreclosures based on false, improper or incomplete documents throughout the nation over the past few years,” Conklin said. “This new law is part of our ongoing commitment to prevent foreclosure fraud in our state and to ensure that the Attorney General has the tools necessary to prosecute those who defraud homeowners.”

The bill gives Nevada residents access to information on the companies that hold their mortgages by requiring the documents used in the foreclosure process to be recorded in the county where the property is located. Additionally, the legislation requires a party seeking to foreclose in Nevada to record a notarized *Affidavit of Authority to Foreclose* that includes information showing that the party seeking to foreclose on the property has the legal right to exercise the power of sale. AB 284 also strengthens the Attorney General’s enforcement authority over foreclosure fraud, and gives property owners a new right of action to enforce their own legal rights in foreclosures.

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FOR IMMEDIATE RELEASE
DATE: October 6, 2011

Contact: Jennifer López
702-486-3782

NEVADA ATTORNEY GENERAL ANNOUNCES ARREST OF TODD HARRINGTON IN ROOM RESERVATION SCAM

Las Vegas, NV – The Office of the Nevada Attorney General announced the arrest of Todd Harrington, 40, of Henderson, on five counts of theft in the amount of \$2500 or more, which is category “B” felony.

The criminal complaint alleges that Harrington – through his Nevada business, HDMC Group LLC – entered into agreements with a number of businesses between March 2010 to December 2010 to arrange for hotel rooms to attend various trade shows, including the 2010 outdoors trade show “SHOT Show” held in Las Vegas. Despite taking large payments for reservations, it is alleged that Harrington did not make any reservations, leaving businesses to discover the fact that they did not have rooms.

“This Office takes very seriously crimes against tourists and those coming in from other states to do business in Nevada,” said Attorney General Catherine Cortez Masto. “It is vital to Nevada’s economy that people coming here know that they can safely conduct business in Nevada.”

Harrington is scheduled for an initial appearance tomorrow, October 7, 2011 at 7:30 a.m. in Justice Court Department 5.

This case was investigated, and will be prosecuted, by the Nevada Attorney General’s Office Fraud Unit.

An arrest is not a determination of guilt or innocence but is simply an allegation that a crime was committed. The defendant is presumed innocent until proven guilty.

Anyone who has information regarding this case should contact the Attorney General’s Office at 702-486-3132. When prompted, select option “6” to get directly to the information on this case.



HARRINGTON, TODD MATHEW

###



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FOR IMMEDIATE RELEASE
DATE: October 7, 2011

Contact: Jennifer López
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ATTORNEY GENERAL ANNOUNCES UPCOMING APPLICATION DUE DATE FOR “STOP VIOLENCE AGAINST WOMEN” AND “SEXUAL ASSAULT SERVICES PROGRAM” GRANTS

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto has announced the availability of funds and upcoming application due date of the Services Training Officers Prosecutors (STOP) Violence Against Women Formula Grant Program (STOP Program) and the Sexual Assault Services Provider (SASP) Grant.

The deadline for the application is Tuesday, **November 1, 2011 by 5:00 PM.**

“We are proud to award these grants which forge partnerships among law enforcement, prosecution courts and victim services organizations in the Silver State,” said Cortez Masto. “This effort helps create and retain jobs during this difficult economic time while enhancing victim safety and holds offenders accountable for their crimes.”

The purpose of the STOP Violence Against Women Program is to encourage the development and implementation of effective law enforcement, court, and prosecution strategies to reduce violent crimes against women and enhancing victim services.

The purposes of the SASP Program, and the Victim Services of the STOP Grant, are to provide intervention advocacy, accompaniment, and support services for victims and household members of victims.

The sub-grant Request for Proposals, Letter of Intent, and Eligibility Requirements can be found here:

- <http://ag.state.nv.us/opengovt/vawa/2011rfa.html>
- <http://ag.state.nv.us/opengovt/vawa/grant.html>

For more information on the grant program, call Elizabeth Greb, Office of the Attorney General, at (775) 684-1148.

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FOR IMMEDIATE RELEASE
DATE: OCTOBER 21, 2011

Contact: Jennifer Lopez
702-486-3782

NEVADA ATTORNEY GENERAL ANNOUNCES ARREST OF STEVEN PATRICK NOHRDEN IN PROPERTY RENTAL SCAM

Las Vegas, NV – The Office of the Nevada Attorney General announced the arrest of Steven Patrick Nohrden, 36, of Las Vegas, on two counts of burglary, two counts of theft, and two counts of obtaining money under false pretenses.

The criminal complaint alleges that Nohrden operated a property rental scam in Las Vegas by identifying and gaining access to certain vacant homes in the Las Vegas area and - without the knowledge or consent of the true home owners – falsely claimed that he was authorized to rent those homes to unsuspecting renters. Relying upon Nohrden's alleged misrepresentations, individuals then moved into these homes and made rent payments to Nohrden. The true home owners eventually discovered that these individuals were living in their home without their consent, bringing the scam to light.

“Las Vegas has a large number of vacant properties which may be checked on infrequently, said Attorney General Catherine Cortez Masto. “It is this Office’s goal to ensure that these properties do not become targets for opportunistic scams which may harm the true owners of the property as well as the entire neighborhood.”

This case was investigated, and will be prosecuted, by the Office of the Nevada Attorney General’s Fraud Unit & Mortgage Fraud Strike Force.

An arrest is not a determination of guilt or innocence, but is simply an allegation that a crime was committed. The defendant is presumed innocent until proven guilty.

Anyone who has information regarding this case should contact the Office of the Attorney General at 702-486-3132.



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FOR IMMEDIATE RELEASE
DATE: October 27, 2011

Contact: Jennifer López
702-486-3782

ATTORNEY GENERAL ANNOUNCES ARRESTS IN CONNECTION WITH MORTGAGE AND FORECLOSURE FRAUD

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today the arrest of three individuals in connection with the operation of a local mortgage scam. Alex Soria, Sonia Rodis, and Hans Johns have all been charged with two counts of Mortgage Fraud and two counts of Theft in an amount in excess of \$2500 for their part in the operation of BioGreen Teck, LLC, a local business which dealt with eliminating mortgages on residential homes.

“These arrests are an important step in protecting homeowners. It is appalling that these individuals would make their livelihood off struggling Nevadans, including victims who are over sixty years old” said Attorney General Masto. “We intend to continue to prosecute this illegal conduct to the fullest extent of the law. Doing so will discourage others from attempting to perpetrate similar schemes upon Nevada’s consumers.”

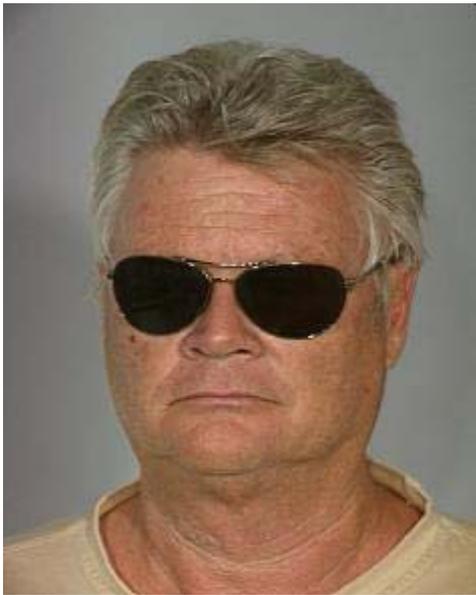
Soria and Rodis, as owners and operators of BioGreen Teck, LLC, conducted a mortgage and foreclosure fraud scam known as the Zero Mortgage Program, which promised to eliminate mortgage obligations and maintain the borrower as title holder of the property. Their scam preyed on homeowners facing foreclosure by their banks and lenders. The scam issued two documents, ‘Affidavits of Fact’ and ‘Deeds of Full Reconveyance’, which the victim homeowners were instructed to file at the Clark County Recorder’s Office. The issued documents were notarized by Johns, an in-house notary. After several months, the banks and lenders would not recognize the legitimacy of this process and moved forward with the foreclosure process, leaving customers worse off than before.

Soria was previously advised by the Clark County District Attorney that these documents would have no legal effect but he continued to charge victims to prepare them. Soria is currently in federal custody awaiting trial on similar charges. While in custody, Soria has continued to conduct the scam through Rodis and Johns using the

alternate business name, 'Good Government League', at the same office location where BioGreen Teck, LLC initiated these fraudulent practices.

Rodis and Johns are due to be arraigned on October 31, 2011.

Anyone who has information regarding this case should contact the Attorney General's Office at 702-486-3132. When prompted, select option "3".



JOHNS, HANS JOACHIM



RODIS, SONIA

###



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FOR IMMEDIATE RELEASE

DATE: November 3, 2011

Contact: Jennifer Lopez

775.486.3782

ATTORNEY GENERAL ANNOUNCES CRIMINAL COMPLAINT AGAINST JAMES OFELDT IN CONNECTION WITH DEATH OF ELY STATE PRISON INMATE

Carson City, NV – The Office of the Nevada Attorney General announced the filing of a criminal complaint charging Ely State Prison inmate James Ofeldt, 28, with one count of open murder in the death of inmate Erik Houser, then 32. The criminal complaint alleges that on May 29, 2011 at Ely State Prison, Ofeldt “beat and strangled Erik Houser, thereby causing Houser’s death.”

“My office will continue to work diligently to hold those individuals responsible, like inmate Ofeldt, who continue to pose a risk to corrections officers, prison staff and inmates inside our prison system,” said Attorney General Cortez Masto.

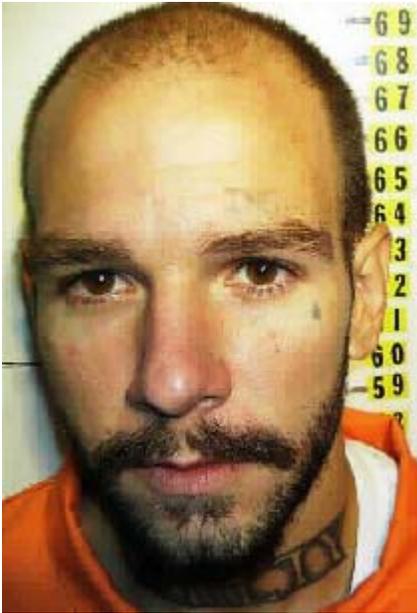
On May 29, 2011, prison staff at Ely State Prison discovered Houser laying face down on his bunk. Ofeldt and Houser had been cell mates since May 16, 2011. Prison medical staff and the White Pine County Sheriff's Office pronounced Houser deceased. White Pine County Sheriff's personnel transported Houser to Clark County where an autopsy was performed. After conducting an autopsy, the Clark County Coroner's Office determined the cause of Houser's death to be homicide due to ligature strangulation.

Ofeldt is due to be arraigned in the Ely Township Justice Court on November 30, 2011. The court will set a preliminary hearing date at the time of arraignment.

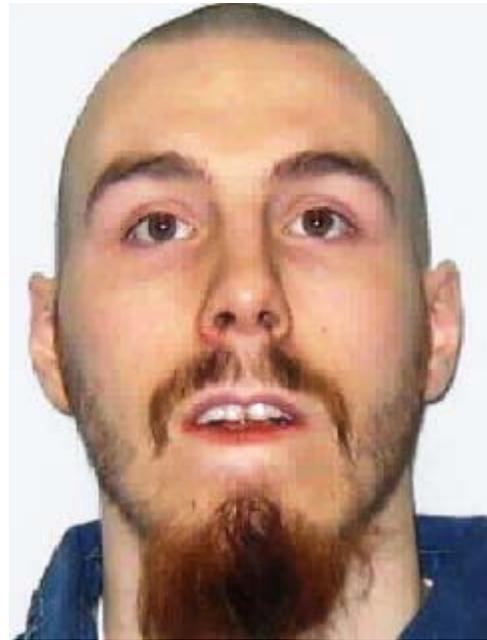
This case was investigated by the White Pine County Sheriff's Office and Nevada Department of Corrections Office of the Inspector General. It will be prosecuted, by attorneys from the Nevada Attorney General's Office Special Prosecution Unit in Ely and Las Vegas. Nevada law charges the Attorney General with the responsibility to prosecute crimes committed in Nevada's prisons.

On July 1, 2004, a Washoe County Judge sentenced Ofeldt to a combined prison term of 72 to 312 months in the Department of Corrections for robbery with a deadly weapon, burglary and conspiracy.

A criminal complaint is not a determination of guilt or innocence but is simply an allegation that a crime was committed. The defendant is presumed innocent until proven guilty.



HOUSER, ERIK



OFELDT, JAMES

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COPY

FILED

OCT 26 11

Case No. 11-00122

IN THE JUSTICE COURT OF ELY TOWNSHIP NO. 1,
COUNTY OF WHITE PINE, STATE OF NEVADA

THE STATE OF NEVADA,)	CRIMINAL COMPLAINT
)	
Plaintiff,)	
)	
v.)	
)	
JAMES OFELDT,)	
)	
Defendant.)	

The undersigned, CATHERINE CORTEZ MASTO, Attorney General of the State of Nevada, by and through his Deputy, MICHAEL J. BONGARD, complains and charges the above named defendant, JAMES OFELDT, NDOC #81842, with having committed the crime of OPEN MURDER in violation of NRS 200.010 and NRS 200.030 committed within the County of White Pine, contrary to the form, force and effect of Statutes in such cases made and provided, and against the peace and dignity of the State of Nevada, to wit:

COUNT ONE

OPEN MURDER - NRS 200.010 and NRS 200.030.

That Defendant, JAMES OFELDT, willfully, unlawfully, and feloniously, with malice aforethought, either express or implied, and with premeditation and deliberation, killed another human being; to wit: On or about May 29, 2011, at the location of the Ely State Prison, Ely, White Pine County, Nevada, Unit 7 Cell A27, Defendant beat and strangled Erik Hauser, thereby causing Hauser's death.

1 All of which is contrary to the form, force and effects of the statutes in such cases made and
2 provided against the peace and dignity of the State of Nevada, said complainant makes this declaration
3 subject to the penalty of perjury.

4 Dated this 26th day of October 2011.

5 CATHERINE CORTEZ MASTO
6 Attorney General

7
8 By: 

9 MICHAEL J. BONGARD
10 Nevada Bar No. 007997
11 mbongard@ag.nv.gov
12 Deputy Attorney General
13 Criminal Justice Division
14 1539 Ave F
15 Ely, Nevada 89301
16 (775) 289-1630
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FILED

OCT 26 11

Case No. 11-00122

IN THE JUSTICE COURT OF ELY TOWNSHIP NO.1
IN AND FOR THE COUNTY OF WHITE PINE, STATE OF NEVADA

STATE OF NEVADA,)
)
 Plaintiff.)
 v.)
)
 JAMES OFELDT.)
 Defendant.)

AFFIDAVIT IN SUPPORT OF
CRIMINAL COMPLAINT

STATE OF NEVADA)
 :ss.
 WHITE PINE COUNTY)

I, JAIME SWETICH, being first duly sworn under penalty of perjury, depose and state upon either personal knowledge and/or information and belief, that:

1. I am a Detective with the White Pine County Sheriff's Office (WPCSO) and have been employed by them for approximately 15 years. That as such, I observed, heard or obtained facts or knowledge of the circumstances relating to the commission of the felony offense of Open Murder, a violation of N.R.S. 200.010, 200.030, a felony, committed on or about May 29, 2011, in the County of White Pine, State of Nevada. That my investigation revealed the following facts, which your affiant, upon information and personal observation verily believes to be true.

2. On May 29, 2011, at approximately 3:00 p.m., I received a phone call from Sgt. Todd Fincher (WPCOSO). Sgt. Fincher advised me that the Ely State Prison reported a suspicious death of one of their inmates. I called Captain Henroid (WPCOSO) and advised him of the situation.

...
...

1 3. At approximately 4:00 p.m. Captain Henroid, Sgt. Fincher and I met at Ely State Prison
2 and were escorted to the Warden's Office. Warden E. K. McDaniel and Associate Warden Renee
3 Baker advised us that JAMES D. OFELDT and Erik Houser were inmates at Ely State Prison. They
4 had been room mates since May 16, 2011.

5 4. Affiant learned from prison staff that the custody status of Inmates Ofeldt and Houser
6 was 'closed custody general population.' Inmates Ofeldt and Houser were confined to their cells except
7 to get exercise and go to the showers, and had no physical contact with other inmates.

8 5. Warden McDaniel escorted us to Unit 7, cell #A27. I photographed the cell door in its
9 closed position with a note taped to the inside of the window. The note read, "I INVOKE MY RIGHTS
10 TO REMAIN SILENT AND MY RIGHT TO AN ATTORNEY." The note appeared to have a
11 signature followed by "James David Ofeldt NDOC 81842 5-29-11."

12 6. The cell was opened and I made entry. There was a towel folded up on the floor near the
13 door. The towel was white with blue and green stripes and had several small red stains. This towel was
14 later taken as evidence. I approached the lower bunk where Houser lay. Houser was laying on his
15 chest, with his head turned to the left. Houser's arms were above his head, with his left hand hanging
16 off of the bunk. Both of Houser's arms were discolored from lividity. Houser was dressed in white
17 boxer shorts and white socks. The bed had a multicolored fitted sheet, upon which Houser was lying.
18 There was one gray blanket partially covering Houser's feet. Taped to the back of Houser's head was
19 his NDOC Inmate identification card. There was a pool of blood on the sheet near Houser's face. In
20 his right hand was a necklace of some sort. There was blood on Houser's left bicep. Above Houser's
21 right collarbone appeared to be an injury, triangular in shape and approximately three quarters of an
22 inch long. Houser also had an injury in the area of his right elbow approximately one half inch in
23 diameter. Under Houser's left arm, broken piece of a CD were found. Also found on the bed sheet
24 near his left arm were several small red spots, consistent with blood. Sgt. Fincher was the deputy
25 coroner for the incident and pronounced death.

26 7. We rolled Houser off the bed and into a body bag. With Houser on his back, I was able
27 to examine his face. I noticed a swollen area above and behind his right ear. He also had a visible
28 injury above his right ear. The right half of his face was covered in blood. There were several marks

1 on his neck. On the left side there was a mark approximately three inches long and one half inch wide.
2 There was a second mark just below the first. It appeared to be approximately one and one half inch
3 inlength and was one half inch wide. At this time, Sgt. Fincher took control of Houser's body and
4 closed the body bag. Houser's body was removed from the cell and later transported to the Clark
5 County coroner's Office by Ely State Prison Personnel. Cause of death was determined by the Clark
6 County Nevada Coroners Office to be ligature strangulation resulting from homicide.

7 8. I then began examining the cell. An examination of a pair of white Nike shoes, size 11.5
8 yielded several small red dots. The shoes were taken into evidence. Upon examining the walls of the
9 cell, I found two small red spots. Both red spots were on the wall opposite the bunks and were above
10 where the shoes had been located. Swabs were taken of the two spots, as well as control swabs from
11 the wall near the spots. All four swabs were placed into evidence.

12 9. I then turned my attention to the fitted sheet, which was still on the lower bunk. There
13 was a pool of wet blood on the sheet. Where Houser's left arm had been were several pieces of a
14 broken CD, which was yellow with a black inscription. The broken CD pieces were taken as evidence.
15 I took several unused evidence bags and laid them on the blood prior to folding the sheet for
16 transportation. The sheet was transported to the Public Safety Building and entered into evidence.

17 10. After completing the search of the cell, I met with Correctional Officer James Bruffy.
18 Officer Bruffy released nine (9) sealed evidence bags to me, which had been in his custody. Each bag
19 was entered into evidence.

20 11. We were then escorted to the visiting/holding area at Ely State Prison. There, I observed
21 Ofeldt sitting in a dry cell, clothed in an orange jump suit. Ofeldt was moved to a nearby holding cell
22 and disrobed. I observed a red mark on Ofeldt's forehead, an area of redness on the left side of his
23 chest, and a red mark on the thumb side of each wrist. Ofeldt also had injuries on both knees. Ofeldt's
24 hands and forehead were swabbed and the swabs were placed into evidence.

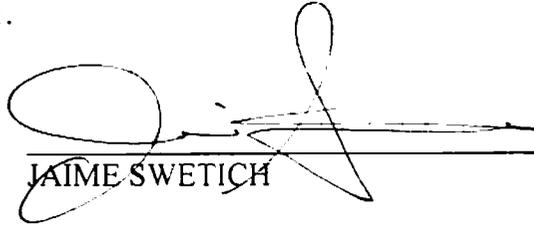
25 12. I then gave Ofeldt the Miranda Warning. I asked him if he understood, and he said
26 "Yup, and I invoke that."

27 ...

28 ...

1 13. As a result of said investigation your affiant believes that there is probable cause to
2 believe that OFELDT has committed the crime of Open Murder, a violation of N.R.S. 200.010,
3 200.030. a felony.

4 DATED this 26 day of October 2011.

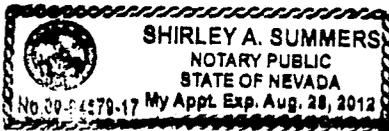
5
6 
7 JAIME SWETICH

8 SIGNED AND SWORN to before me

9 by Jaime Swetich

10 this 26th day of October 2011.

11 
12 NOTARY PUBLIC





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FOR IMMEDIATE RELEASE
DATE: October 31, 2011

Contact: Jennifer Lopez
702.486.3782

NEVADA EXPANDS AUTOMATED VICTIM INFORMATION SYSTEM

White Pine County joins the statewide system

Carson City, NV. – The Office of the Nevada Attorney General and Sheriff Watts today announced White Pine County is joining the state’s automated victim information and notification system known as VINE®.

Crime victims and other concerned citizens from White Pine County will have around-the-clock access to custody information about offenders held in jails or prisons throughout the state. The system allows victims to be immediately informed in the event an offender is transferred, released or escapes imprisonment.

“Protection of our citizens does not end with prosecuting the offenders,” said Attorney General Catherine Cortez Masto. “We must continue to protect the victims of crime by keeping them informed on the custody status of their offenders.”

Nevada joins 40 other states that have launched statewide VINE services. Nevada VINE connects with the state’s county jails, the Department of Corrections, Probation and Parole, and other law enforcement agencies. In recent years, Clark and Washoe counties along with North Las Vegas contracted for their own VINE services. Altogether, more than three and a half million phone calls (in and outbound) have been made and nearly 300,000 searches have been conducted on line. Clark and Washoe counties as well as North Las Vegas will be incorporated into the statewide system.

Users can contact Nevada VINE at 1-888-2NV-VINE (888-268-8463) or www.vinelink.com to track the custody status of an offender or register to be notified by phone or e-mail in the event of a transfer, release, or escape. Live operators are available 24 hours a day, seven days a week to assist victims who need help obtaining offender information or registering for notification. The service is free and anonymous.

“Public protection requires sophisticated technology,” said Sheriff Watts. “By automating these services, Nevada will be more effective at serving victims in the aftermath of a crime and keeping our citizens safe.”

The attorney general’s office has contracted with Appriss® Inc., a Louisville, Ky.-based technology company that provides resources to criminal justice and victims of crime, to provide the service.

#



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FOR IMMEDIATE RELEASE
DATE: November 3, 2011

Contact: Jennifer Lopez
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NEVADA EXPANDS AUTOMATED VICTIM INFORMATION SYSTEM

Storey County joins the statewide system

Carson City, NV. – The Office of the Nevada Attorney General and Sheriff Antinoro today announced Storey County is joining the state’s automated victim information and notification system known as VINE®.

Crime victims and other concerned citizens from Storey County will have around-the-clock access to custody information about offenders held in jails or prisons throughout the state. The system allows victims to be immediately informed in the event an offender is transferred, released or escapes imprisonment.

“Protection of our citizens does not end with prosecuting the offenders,” said Attorney General Catherine Cortez Masto. “We must continue to protect the victims of crime by keeping them informed on the custody status of their offenders.”

Nevada joins 40 other states that have launched statewide VINE services. Nevada VINE connects with the state’s county jails, the Department of Corrections, Probation and Parole, and other law enforcement agencies. In recent years, Clark and Washoe counties along with North Las Vegas contracted for their own VINE services. Altogether, more than three and a half million phone calls (in and outbound) have been made and nearly 300,000 searches have been conducted on line. Clark and Washoe counties as well as North Las Vegas will be incorporated into the statewide system.

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“Public protection is our first priority,” said Sheriff Antinoro. “By automating these services, our office will be more effective and utilize a proven service for victims in the aftermath of a crime and keeping our citizens safe.”

The attorney general’s office has contracted with Appriss® Inc., a Louisville, Ky.-based technology company that provides resources to criminal justice and victims of crime, to provide the service.

#



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FOR IMMEDIATE RELEASE
DATE: November 7, 2011

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ATTORNEY GENERAL ADDRESSES RENO FAITH COMMUNITY ABOUT PROTECTING YOUTH AND FAMILIES

Reno, NV – On Saturday, November 5, Attorney General Catherine Cortez Masto spoke to a crowd of over 100 people from different faiths at the Church of Jesus Christ of Latter-day Saints in Reno about internet safety for children and youth.

“It is critically important that we gather with our families to discuss how they can prevent their young children and teenagers from becoming victims of internet crime including solicitation by child predators via chat rooms, unwanted exposure to sexual material, sexting, and cyber-bullying,” said Attorney General Masto. “Today’s event was a great way to educate families on the steps they can take to guard against risks.”

“We deeply appreciate General Masto’s presentation,” said David Challis, president of the Reno Nevada Stake of the Church of Jesus Christ of Latter-day Saints. “By understanding the dangers and protecting against them, we can assure that technology helps advance family goals.”

One in five youths are sexually solicited online according to the National Center for Missing and Exploited Children (NCMEC). NCMEC conducted a study of youths between 10-17 years of age in 2008 which indicated that that 56 percent posted personal information, 43 percent interacted with people they did not know, and 35 percent added unknown people to friend lists.



The Reno Nevada Stake of the Church of Jesus Christ of Latter-day Saints held a interfaith community forum at the Church of Jesus Christ of Latter-day Saints in Reno on Nov. 5. From left to right is Dave Challis, president of Reno Stake of The Church of Jesus Christ of Latter-day Saints and Nevada Attorney General Catherine Cortez Masto.

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FOR IMMEDIATE RELEASE
DATE: November 16, 2011

Contact: Jennifer Lopez
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**OFFICE OF THE ATTORNEY GENERAL ANNOUNCES INDICTMENT IN MASSIVE
CLARK COUNTY ROBO-SIGNING SCHEME**
***Defendants to be Held Criminally Accountable for Filing Tens of Thousands of
Fraudulent Foreclosure Documents***

Carson City, NV – The Office of the Nevada Attorney General announced today that the Clark County grand jury has returned a 606 count indictment against two title officers, Gary Trafford and Gerri Sheppard, who directed and supervised a robo-signing scheme which resulted in the filing of tens of thousands of fraudulent documents with the Clark County Recorder's Office between 2005 and 2008.

According to the indictment, defendant Gary Trafford, a California resident, is charged with 102 counts of offering false instruments for recording (category C felony); false certification on certain instruments (category D felony); and notarization of the signature of a person not in the presence of a notary public (a gross misdemeanor). The indictment charges defendant Gerri Sheppard, also a California resident, with 100 counts of offering false instruments for recording (category C felony); false certification on certain instruments (category D felony); and notarization of the signature of a person not in the presence of a notary public (a gross misdemeanor).

"The grand jury found probable cause that there was a robo-signing scheme which resulted in the filing of tens of thousands of fraudulent documents with the Clark County Recorder's Office between 2005 and 2008," said Chief Deputy Attorney General John Kelleher.

The indictment alleges that both defendants directed the fraudulent notarization and filing of documents which were used to initiate foreclosure on local homeowners. The State alleges that these documents, referred to as Notices of Default, or "NODs", were prepared locally. The State alleges that the defendants directed employees under their supervision, to forge their names on foreclosure documents, then notarize the

signatures they just forged, thereby fraudulently attesting that the defendants actually signed the documents, which was untrue and in violation of State law. The defendants then allegedly directed the employees under their supervision to file the fraudulent documents with the Clark County Recorder's office, to be used to start foreclosures on homes throughout the County.

The indictment alleges that these crimes were done in secret in order to avoid detection. The fraudulent NODs were allegedly forged locally to allow them to be filed at the Clark County Recorder's office on the same day they were prepared.

District Court Judge Jennifer Togliatti has set bail in the amount of \$500,000 for Sheppard and \$500,000 for Trafford. The case has been assigned to Department 5 District Court Judge Carolyn Ellsworth who will preside over the case.

Anyone who has information regarding this case is asked to contact the Attorney General's Office at 702-486-3777 in Las Vegas or 775-684-1180 in Carson City.



TRAFFORD, GARY



SHEPPARD, GERRI

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IND
CATHERINE CORTEZ MASTO
Attorney General
JOHN P. KELLEHER
Assistant Chief Deputy Attorney General
Nevada Bar No. 005387
702-486-3396
ROBERT G. GIUNTA
Senior Deputy Attorney General
Nevada Bar No. 1229
702-486-3199
555 E. Washington Avenue, #3900
Las Vegas, Nevada 89101
Attorneys for Plaintiff, State of Nevada

FILED

Nov 16 12 17 PM '11

Ann D. Johnson
CLERK OF THE COURT

**DISTRICT COURT
CLARK COUNTY, NEVADA**

STATE OF NEVADA,)
)
Plaintiff,)
)
vs.)
)
GARY RANDALL TRAFFORD,)
GERALDINE ANN SHEPPARD,)
aka Gerri Sheppard)
)
Defendants)

CASE NO. : C-11-277573-1
DEPT. NO.: V

INDICTMENT

The undersigned, CATHERINE CORTEZ MASTO, Attorney General of the State of Nevada, by and through her Deputies, JOHN P. KELLEHER, Chief Deputy Attorney General and ROBERT G. GIUNTA, Senior Deputy Attorney General, under penalty of perjury, and within their knowledge, information and belief, complain and charge that the above named Defendants, **GARY RANDALL TRAFFORD**, (hereinafter "TRAFFORD") has committed the offenses of One Hundred Two (102) Counts of **NOTARIZATION OF SIGNATURE OF PERSON NOT IN PRESENCE OF NOTARY PUBLIC, (AID AND ABET)**, a gross misdemeanor in violation of NRS 240.155; One Hundred Two (102) Counts of **OFFERING FALSE INSTRUMENTS FOR FILING OR RECORDING**; a category C felony in violation of NRS 239.330; and One Hundred Two (102) Counts of **FALSE CERTIFICATION ON CERTAIN INSTRUMENTS (AID and ABET)**; a category D felony in violation of NRS 205.120;



OFFICE OF THE ATTORNEY GENERAL

Catherine Cortez Masto, *Attorney General*

100 N. Carson Street
Carson City, Nevada 89701-4717
Telephone - (775) 684-1100
Fax - (775) 684-1108
Web - <http://ag.state.nv.us>

FOR IMMEDIATE RELEASE
DATE: November 17, 2011

Contact: Jennifer Lopez
702.486.3782

OFFICE OF THE ATTORNEY GENERAL ANNOUNCES NOTARY IN ROBO-SIGNING SCHEME PLEADS GUILTY

Carson City, NV – The Office of the Nevada Attorney General announced today that Tracy Lawrence, 43, a local notary, has pled guilty to one count of notarizing the signature of an individual not in her presence, a gross misdemeanor in violation of NRS 240.155.

Notary fraud carries a potential jail sentence of one year and/or a fine of up to \$2,000.

“The case against Lawrence was based on an investigation by the Attorney General’s mortgage fraud task force which revealed that between 2005 and 2008, tens of thousands of fraudulent documents were filed with the Clark County Recorder’s office”, said Chief Deputy Attorney General John Kelleher.

Lawrence pled guilty on November 14, 2011. A sentencing date has been scheduled for November 28, 2011, in front of District Court Judge Jesse Walsh.

Anyone who has information regarding loan modification or mortgage fraud scams should contact the Attorney General’s Office at 702-486-3132.

###

1 **INFO**

2 CATHERINE CORTEZ MASTO
3 Attorney General
4 ROBERT G. GIUNTA
5 Senior Deputy Attorney General
6 Nevada Bar No. 01229
7 702-486-3199 ph / 702-486-3283 fax
8 E-mail: rgiunta@ag.nv.gov
9 SAMUEL KERN
10 Deputy Attorney General
11 Nevada Bar No. 010638
12 702-486-3799 ph / 702-486-3283 fax
13 E-mail: skern@ag.nv.gov
14 555 E. Washington Avenue, #3900
15 Las Vegas, Nevada 89101
16 Attorneys for Plaintiff, State of Nevada

FILED IN OPEN COURT
STEVEN D. GRIERSON
CLERK OF THE COURT

NOV 14 2011

BY: _____
PHYLLIS IRBY, DEPUTY

10 **DISTRICT COURT**
11 **CLARK COUNTY, NEVADA**

12 STATE OF NEVADA,

13 Plaintiff,

14 vs.

15 TRACY LAWRENCE

16 Defendant

CASE NO.: C-11-277290-1
DEPT. NO.: X

17 **CRIMINAL INFORMATION**

18 The undersigned, CATHERINE CORTEZ MASTO, Attorney General of the State of
19 Nevada, by and through her deputies, JOHN P. KELLEHER, Chief Deputy Attorney General
20 and ROBERT G. GIUNTA, Senior Deputy Attorney General, under penalty of perjury, who
21 within their knowledge, information and belief, complain and charge that the above-named
22 Defendant, TRACY LAWRENCE (hereinafter "LAWRENCE"), has committed the following
23 offense:

24 Defendant LAWRENCE has committed the crime of one (1) Count of **NOTARIZATION**
25 **OF SIGNATURE OF PERSON NOT IN PRESENCE OF NOTARY PUBLIC**, a gross
26 misdemeanor in violation of NRS 240.155. Said aforementioned crimes constitute
27 **TECHNOLOGICAL CRIMES** as defined in NRS 205A.030 and property which was derived
28

1 from, realized through, or used or intended for use in the course of a technological crime is
2 **subject to forfeiture** pursuant to **NRS 179.1219**. The acts alleged herein have been
3 committed on or about October 6, 2008, committed by **LAWRENCE**, at and within the City of
4 Las Vegas, County of Clark, State of Nevada in the following manner:

5 **COUNT I**

6 **NOTARIZATION OF SIGNATURE OF PERSON NOT IN PRESENCE NOTARY PUBLIC**
7 **GROSS MISDEMEANOR NRS 240.155**

8 On or about October 6, 2008, Defendant **LAWRENCE**, a notary public, who is
9 authorized to notarize an individual's signature, did then and there, willfully notarize the
10 signature of a person when said person whose signature the defendant was notarizing was
11 not in her presence, to wit;

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1 On or about October 6, 2008, Defendant **LAWRENCE**, a notary public appointed by the
2 Nevada Secretary of State, and authorized to take a proof or acknowledgment of an
3 instrument, willfully notarized the signature of an individual named Gary Trafford on a NOTICE
4 OF DEFAULT AND ELECTION TO SELL UNDER DEED OF TRUST, Instrument No.
5 0004017 of Official Records filed in the Office of the County Recorder of Clark County, Nevada
6 dated October 6, 2008, when Gary Trafford was not in Defendant's presence. These actions
7 were performed in a secretive manner in order that the false documents be given full legal
8 effect and that this criminal activity not be discovered. This activity was discovered on or
9 about December of 2010.

10 All of which constitutes the crime of **NOTARIZATION OF SIGNATURE OF PERSON**
11 **NOT IN PRESENCE NOTARY PUBLIC**, a violation of NRS 240.155, a gross misdemeanor.

12 All of which is contrary to the form, force and effect of the statutes in such cases made
13 and provided, and against the peace and dignity of the State of Nevada. Said complainants
14 make this declaration subject to the penalty of perjury.

15 DATED this 14th day of November, 2011

16 SUBMITTED BY:

17 CATHERINE CORTEZ MASTO
18 Attorney General

19 By: 

20 SAMUEL KERN
21 Deputy Attorney General
22 Nevada Bar No. 00010638
23 555 E. Washington Avenue, #3900
24 Las Vegas, Nevada 89101
25 702-486-3799
26 Attorneys for Plaintiff, State of Nevada

23 11F16164/rjh
24 AG # 13821-104
25 Notarization Fraud
26 JC 2
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28



OFFICE OF THE ATTORNEY GENERAL

Catherine Cortez Masto, *Attorney General*

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FOR IMMEDIATE RELEASE
DATE: November 30, 2011

Contact: Jennifer Lopez
702.486.3782

NEVADA EXPANDS AUTOMATED VICTIM INFORMATION SYSTEM

Lincoln County joins the statewide system

Carson City, NV. – The Office of the Nevada Attorney General and Sheriff Lee today announced Lincoln County is joining the state’s automated victim information and notification system known as VINE®.

Crime victims and other concerned citizens from Lincoln County will have around-the-clock access to custody information about offenders held in jails or prisons throughout the state. The system allows victims to be immediately informed in the event an offender is transferred, released or escapes imprisonment.

“Protection of our citizens does not end with prosecuting the offenders,” said Attorney General Catherine Cortez Masto. “We must continue to protect the victims of crime by keeping them informed on the custody status of their offenders.”

Nevada joins 40 other states that have launched statewide VINE services. Nevada VINE connects with the state’s county jails, the Department of Corrections, Probation and Parole, and other law enforcement agencies. In recent years, Clark and Washoe counties along with North Las Vegas contracted for their own VINE services. Altogether, more than three and a half million phone calls (in and outbound) have been made and nearly 300,000 searches have been conducted on line. Clark and Washoe counties as well as North Las Vegas will be incorporated into the statewide system.

Users can contact Nevada VINE at 1-888-2NV-VINE (888-268-8463) or www.vinelink.com to track the custody status of an offender or register to be notified by phone or e-mail in the event of a transfer, release, or escape. Live operators are available 24 hours a day, seven days a week to assist victims who need help obtaining offender information or registering for notification. The service is free and anonymous.

“By automating our victim information services, Lincoln County will be more effective at serving victims in the aftermath of a crime and keeping our citizens safe.” said Sheriff Lee.

“Protection of our citizens requires new, updated technology.”

The attorney general’s office has contracted with Appriss® Inc., a Louisville, Ky.-based technology company that provides resources to criminal justice and victims of crime, to provide the service.

###



OFFICE OF THE ATTORNEY GENERAL

Catherine Cortez Masto, *Attorney General*

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Las Vegas, Nevada 89101

Telephone - (702) 486-3420

Fax - (702) 486-3283

Web - <http://ag.state.nv.us>

FOR IMMEDIATE RELEASE

DATE: December 2, 2011

Contact: Jennifer Lopez

702.486.3782

ATTORNEY GENERAL ANNOUNCES AGREEMENT WITH REGISTERED AGENT, INC. BARRING THEM FROM MISLEADING BUSINESSES TO CHANGE REGISTERED AGENTS

Las Vegas, NV — Nevada Attorney General Catherine Cortez Masto announced today that a settlement agreement has been reached with Registered Agent, Inc. regarding advertisements sent by mail to corporations in order to deceptively change registered agents.

The State of Nevada has alleged that Registered Agent, Inc., a company based in Carson City, mailed deceptive and misleading advertisements which contained official Secretary of State corporation forms. As a result corporations were misled into believing that the letters were sent by their existing registered agents. In truth, by filling out the forms and paying the requested fees, these corporations unintentionally changed their corporate registered agent to Registered Agent, Inc.

“My office is here to deter future misconduct and to help create a fair market place that simultaneously protects consumers and honest businesses,” said Masto. “This is the latest example of our ongoing effort to ensure businesses and consumers are not taken advantage of.”

As a result of the settlement, Registered Agent, Inc. has agreed to refund all monies paid by those corporations identified by the Nevada Attorney General and to pay a \$2,500 fine. In addition, Registered Agent, Inc. has agreed to include notices in a clear and distinct format indicating that the letter is a solicitation to corporations to change the corporation’s registered agent.

Tips from the Attorney General to avoid falling victim of deceptive trade:

- Carefully read any advertisement, especially when forms are attached, to make sure that you understand with whom you are dealing and that you intend to take the action that filing the forms will cause.

- Thoroughly review all information included in any form to assure that you are not disclosing private personal information to someone you do not know and trust.

###

RECEIVED

NOV 5 2011

55th Carson City

1 CATHERINE CORTEZ MASTO
 Attorney General
 2 JOHN R. McGLAMERY
 Senior Deputy Attorney General
 3 Bar Number 00516
 100 North Carson Street
 4 Carson City, Nevada 89701-4717
 (775) 684-1169
 5 Attorneys for the State of Nevada

6
 7 IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
 8 IN AND FOR CARSON CITY
 9

10 STATE OF NEVADA,

11 Plaintiff,

Case No.

12 v.

Dept. No.

13 REGISTERED AGENT INC,

14 Defendant.
 15 _____ /

16 **ASSURANCE OF DISCONTINUANCE AND ORDER**

17 This ASSURANCE OF DISCONTINUANCE is entered into and by THE STATE OF
 18 NEVADA, by and through Attorney General CATHERINE CORTEZ MASTO, and her Deputy
 19 JOHN R. McGLAMERY, and REGISTERED AGENT, INC., by and through its president,
 20 SHAWNDA PURDY. The parties agree and stipulate as follows:

21 1. CATHERINE CORTEZ MASTO is the duly elected Attorney General of the State of
 22 Nevada. In her capacity as Attorney General, she is authorized to bring actions in the name of
 23 the STATE OF NEVADA to enforce the provisions of the Nevada Deceptive Trade Practices
 24 Act, NRS 598.093 to 598.0999.

25 2. REGISTERED AGENT, INC. hereinafter referred to as "REGISTERED AGENT INC."
 26 is a corporation formed under the laws of the State of Nevada doing business as
 27 "REGISTERED AGENT, INC." REGISTERED AGENT, INC.'s principal place of business is
 28 located in Carson City, Nevada.

The Office of the Attorney General
 BUREAU OF CONSUMER PROTECTION
 100 North Carson Street
 Carson City, Nevada 89701-4717

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will be true, complete and accurate to the best of REGISTERED AGENT, INC.'s knowledge based upon reasonable research;

- b. That when communicating with a consumer, REGISTERED AGENT, INC. and its agents, employees, independent contractors and representatives will include all known material facts related to the transaction;
- c. That all solicitations or advertisements for services to which any form issued by a state or local governmental agency is attached or included, REGISTERED AGENT, INC. will include the following statement, or its equivalent, on the top of first page of the solicitation, in a type size at least 3 points larger than the largest font type size used in the solicitation, in bold typeface, the following sentence or its equivalent: "This is a solicitation for [insert relevant services]."

REGISTERED AGENT, INC. and its agents, employees, independent contractors and representatives will provide refunds to its customers who have unintentionally changed registered agents to REGISTERED AGENT, INC. as the result of any REGISTERED AGENT, INC. solicitation which predates the date of this ASSURANCE OF DISCONTINUANCE the request for refund under this paragraph must be in writing and sent within thirty (30) days of the customer's initial payment to REGISTERED AGENT, INC.;

- d. REGISTERED AGENT, INC. agrees to provide its customers a written description of the appropriate contact name, address, and telephone number by which a customer may contact REGISTERED AGENT, INC. regarding a sale or refund, as well as the local times at which REGISTERED AGENT, INC. may be reached by telephone;
- e. REGISTERED AGENT, INC. agrees to provide sufficient staff and resources to assure the ability to answer all telephone calls from customers regarding any sale or refund, or to assure that a return call is made to a customer within twenty-four (24) hours after that customer has left a telephone message;
- f. REGISTERED AGENT, INC. agrees to provide a written compliance report to the Attorney General, within thirty (30) days from the date the Court approves this

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ASSURANCE OF DISCONTINUANCE to include:

- 1) The manner and extent of REGISTERED AGENT INC.'S compliance with the terms of this ASSURANCE OF DISCONTINUANCE;
- 2) Copies of any solicitation to change registered agent services to REGISTERED AGENT, INC. from another registered agent; and
- 3) Records of all refunds issued pursuant to this ASSURANCE OF DISCONTINUANCE.

g. REGISTERED AGENT, INC. agrees to continue to maintain adequate records and logs to document that it has complied with all of the provisions of this ASSURANCE OF DISCONTINUANCE, above and beyond the written compliance report described above, and to deliver complete and accurate copies of those records or logs to the Attorney General within thirty (30) days of a request by the Attorney General.

h. REGISTERED AGENT, INC. agrees not to violate any provision of NRS Chapter 598 in any future transaction.

8. In the event the Attorney General contests REGISTERED AGENT, INC.'s compliance with any provision of this ASSURANCE OF DISCONTINUANCE, the Attorney General shall provide REGISTERED AGENT, INC. with written notice of any alleged non-compliance. Upon receiving such written notice, REGISTERED AGENT, INC. shall have ten (10) days to cure any such alleged non-compliance. The parties agree to cooperate in good faith to remedy any alleged non-compliance.

9. Within twenty (20) days of the execution of this ASSURANCE OF DISCONTINUANCE, REGISTERED AGENT, INC. will make payment to "Office of the Nevada Attorney General, Attorney General Special Fund" in the amount of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500). The funds received by the Nevada Attorney General in the settlement of the claims asserted herein shall be made payable to the Office of the Nevada Attorney General for deposit into the attorney general special fund, which the state may apply as it chooses for attorneys fees, investigative costs, for consumer education, litigation, local consumer aid funds, public protection, or consumer protection purposes at the discretion of the

1 Attorney General as allowed by state law.

2 III.

3 STIPULATIONS

4 10. The parties, and each of them, acknowledge all required service related to this
5 matter and agree that this Court has jurisdiction over the parties hereto, and each of them, and
6 the subject matter herein, pursuant to NRS 598.0995 and agree that this Court is the proper
7 District Court to approve this ASSURANCE OF DISCONTINUANCE, pursuant to NRS
8 598.0995.

9 11. The parties, and each of them, agree this Court retains jurisdiction over all matters
10 identified in this ASSURANCE OF DISCONTINUANCE, pursuant to NRS 598.0999.

11 12. The parties, and each of them, agree this ASSURANCE OF DISCONTINUANCE
12 does not constitute evidence or an admission of liability of any kind.

13 13. The parties, and each of them, agree this ASSURANCE OF DISCONTINUANCE
14 does not constitute a finding by this Court that REGISTERED AGENT, INC. has engaged in an
15 act or practice declared unlawful by the Nevada Deceptive Trade Practices Act or any other
16 laws, rules, or regulations.

17 14. The parties, and each of them, agree that by entering into this ASSURANCE OF
18 DISCONTINUANCE, REGISTERED AGENT, INC. does not admit or consent to any liability to
19 any individual for its actions, or the actions of its officers, agents, attorneys, employees,
20 representatives, independent contractors, marketers, or assigns; however, this ASSURANCE
21 OF DISCONTINUANCE shall not be construed to affect the rights of any private party to
22 pursue any remedy or remedies.

23 15. Within ten (10) days after the payment provided by REGISTERED AGENT, INC. in
24 paragraph 9, and in consideration for entry into this ASSURANCE OF DISCONTINUANCE,
25 the Attorney General shall hereby release any and all civil claims, demands, or causes of
26 action, known or unknown, suspected or unsuspected, the STATE OF NEVADA may have
27 against REGISTERED AGENT, INC., its officers, directors, shareholders, agents, servants,
28 employees, attorneys, insurance companies, affiliates, and those persons in active concert or

1 participation with each of them as of the date of this ASSURANCE OF DISCONTINUANCE for
2 acts occurring prior to the date of this ASSURANCE OF DISCONTINUANCE under the statute
3 and regulations stated above relative to the subject matter of this ASSURANCE OF
4 DISCONTINUANCE.

5 16. REGISTERED AGENT, INC. expressly understands and acknowledges that under
6 the provisions of NRS 598.0979(2)(c), proof by a preponderance of evidence of a violation of
7 this ASSURANCE OF DISCONTINUANCE will constitute prima facie evidence of a deceptive
8 trade practice.

9 17. REGISTERED AGENT, INC. expressly understands and acknowledges that under
10 the provisions of NRS 598.0999, this ASSURANCE OF DISCONTINUANCE constitutes a
11 Court Order, and that the violation of any of the deceptive trade practices identified in this
12 ASSURANCE OF DISCONTINUANCE may subject REGISTERED AGENT, INC. to civil
13 penalties of up to \$10,000 per violation.

14 18. REGISTERED AGENT, INC. declares that it has read and understands this
15 ASSURANCE OF DISCONTINUANCE, and each of its terms, and is entering into this
16 ASSURANCE OF DISCONTINUANCE voluntarily with full knowledge of its significance and
17 legal effect and has sufficiently reviewed this ASSURANCE OF DISCONTINUANCE with its
18 legal counsel.

19 19. REGISTERED AGENT, INC. has independently investigated all material facts,
20 relevant to this ASSURANCE OF DISCONTINUANCE and, therefore voluntarily executes it
21 based on independent knowledge and judgment.

22 20. REGISTERED AGENT, INC. will bear its own costs and attorney's fees.

23 21. REGISTERED AGENT, INC. understands and agrees that upon execution of this
24 ASSURANCE OF DISCONTINUANCE by all parties, it will be filed with the Clerk of the Court
25 pursuant to NRS 598.0995 for approval of the Court and, if approved, becomes an order of the
26 Court enforceable by the provisions of NRS 598.0999(1). The parties, and each of them,
27 understand and agree that in the event the Court does not approve this ASSURANCE OF
28 DISCONTINUANCE, this ASSURANCE OF DISCONTINUANCE becomes null and void.

AFFIDAVIT

1
2 STATE OF Nevada }
3 COUNTY OF Carson } : ss.

4 I, SHAWNDA PURDY, being duly sworn, deposes and says:

5 I am the president of REGISTERED AGENT INC., and have the authority to sign
6 contracts binding REGISTERED AGENT INC.;

7 I have reviewed the attached Assurance of Discontinuance and have had an opportunity
8 to discuss its terms with the attorney for REGISTERED AGENT INC.;

9 I have executed the aforesaid instrument with the consent and authority of
10 REGISTERED AGENT INC, and those responsible for the acts of said entity and duly
11 acknowledge same;

12 I, SHAWNDA PURDY, do hereby swear or affirm under penalty of perjury the assertions
13 of this affidavit are true and correct, and if called as a witness, I would be competent to testify
14 as to the truth of these statements.

15 Further this affiant sayeth not.

16
17
18 Shawnda Purdy
19 Affiant

20 SUBSCRIBED and SWORN to before me
21 This 9 day of November, 2011.

22 Shelia Gamez
23 NOTARY PUBLIC
24 (SEAL)



Office of the Attorney General
BUREAU OF CONSUMER PROTECTION
100 North Carson Street
Carson City, Nevada 89701-4717

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Case No.
Dept. No.

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR CARSON CITY

STATE OF NEVADA, OFFICE OF THE ATTORNEY
GENERAL, ex. rel. CATHERINE CORTEZ MASTO,
Attorney General,

Plaintiff,

v.

REGISTERED AGENT INC,

Defendant.

AFFIRMATION
Pursuant to NRS 239B.030

The undersigned does hereby affirm that the following document DOES NOT contain the social security number of any person: (list document[s] attached below)

- 1) Assurance of Discontinuance and Order
- 2)

- OR -

The undersigned does hereby affirm that the document named below DOES contain the social security number of a person as required by state or federal law or for the administration of a public program or for an application for a federal or state grant: (list the document[s] attached containing social security number information below)

- 1)
- 2)


John R. McGlamery, Deputy Attorney General

November 18, 2011
Date



OFFICE OF THE ATTORNEY GENERAL

Catherine Cortez Masto, *Attorney General*

555 E. Washington Avenue, Suite 3900
Las Vegas, Nevada 89101

Telephone - (702) 486-3420

Fax - (702) 486-3283

Web - <http://ag.state.nv.us>

FOR IMMEDIATE RELEASE

DATE: December 5, 2011

Contact: Jennifer Lopez

702.486.3782

OFFICE OF THE ATTORNEY GENERAL ANNOUNCES MORE COMPLAINTS FILED AGAINST THREE NOTARIES IN ROBO-SIGNING CASE

Las Vegas, NV – The Office of the Nevada Attorney General announced today that complaints have been filed against three more notaries in the State's ongoing massive robo-signing investigation. Meghan Shaw, Jennifer Bloecker and Joseph Noel have all been charged with notarization of the signature of a person not in their presence.

"These complaints are the result of notary practices which did not conform with legal requirements of our state. These requirements were enacted to ensure the integrity of public documents and our action today is another step in our attempt to determine those responsible" said Chief Deputy Attorney General John Kelleher.

The charges stem from the notaries' involvement in the scheme to file fraudulent documents with the Clark County Recorder's office. The documents, referred to as Notices of Default (NODs), were used to initiate foreclosure on local homeowners. Through an investigation led by the Attorney General's office the notaries charged in this case have confirmed that their job duties included signing another person's name on a document and then notarizing that signature.

Shaw, Noel and Lowe are set to make an initial appearance in court on Wednesday, December 28, 2011 at 8:30AM in Justice Court 8.

Anyone who has information regarding this case should contact the Attorney General's Office at 702-486-3132.

###



California Department of Justice

KAMALA D. HARRIS

OFFICE of the ATTORNEY GENERAL

Nevada Attorney General

CATHERINE CORTEZ MASTO



**For Immediate Release
December 6, 2011**

Contact:

Shum Preston, Harris
(415) 703-5837

Jennifer Lopez, Masto
(702) 279-3378

Shum.preston@doj.ca.gov JLopez@ag.nv.gov

Attorneys General of California and Nevada Announce Mortgage Investigation Alliance

LOS ANGELES -- Attorneys General Kamala D. Harris of California and Catherine Cortez Masto of Nevada today announced that their states have entered into a joint investigation alliance designed to assist homeowners who have been harmed by misconduct and fraud in the mortgage industry.

By forging this alliance, California and Nevada will combine investigative resources, including litigation strategies, information, and evidence gathered through their respective ongoing investigations, assisting each state as it pursues independent prosecutions.

This alliance will link the offices' civil and criminal enforcement teams, speeding along the full, fair and adequate investigation of wrongdoing in the two states, which have experienced similar foreclosure and mortgage fraud crises.

"The mortgage crisis is a man-made disaster that has taken a heavy toll on the country, but it saved its worst for California and Nevada," said California Attorney General Kamala D. Harris. "The mortgage crisis is a law enforcement matter, and we will prosecute to hold accountable those who are responsible and also protect the homeowners who are targeted for fraud. I am delighted that California and Nevada are entering into this alliance to leverage the best results for our investigations and look forward to forging similar collaboration with other states."

"I am pleased to join forces with General Harris to fight against fraudulent mortgage and foreclosure practices that continue to devastate lives, homes, and the economy in Nevada and California," said Nevada Attorney General Catherine Cortez Masto. "This strong partnership will allow our states to make an even more concerted effort to hold fraud perpetrators accountable and ensure law-abiding homeowners receive justice."

By most objective measures, California and Nevada have been the states hardest hit by the nation's foreclosure crisis. In October 2011, Nevada and California ranked first and second, respectively, for the

percentage of their housing units that entered the foreclosure process, reflecting a parallel surge in foreclosures in the two states. One in every 180 Nevada properties entered the foreclosure process in October, and one in every 243 California homes received a filing that month. In 2010, California led the nation with a total of 546,669 foreclosure filings (4 percent of the state's housing units), while Nevada led the nation with 9.4 percent of its homes receiving a foreclosure filing (totaling 106,160 units).

The crisis in these Western states is similar because both states share a foreclosure system in which a bank can foreclose on a borrower's home without court oversight, also called "non-judicial foreclosure." The collective result has created a rich opportunity for predators, leading both states to make mortgage-related law enforcement action a top priority.

In May 2011, Attorney General Harris formed a Mortgage Fraud Strike Force, now composed of nearly 40 attorneys and investigators, that has launched a wide series of investigations and litigation. The Mortgage Fraud Strike Force has instigated legal actions, including a lawsuit alleging false representations and other unlawful conduct in the marketing of multi-million dollar "mass joinder" lawsuits, and the arrests earlier this month of three top officers of a Stockton real estate company who took thousands of dollars in up-front loan modification fees and made false promises to assist struggling Central Valley homeowners with lowering their mortgage payments.

In 2007, Attorney General Masto formed the Nevada Mortgage Fraud Strike Force that launched a wide series of investigations and litigation into areas including violations of the law related to mortgage lending, servicing, and foreclosure practices and the creation, rating, marketing, sale, and management of mortgage backed securities. The Nevada Mortgage Fraud Strike Force has taken action against predatory "mortgage rescue" companies and individuals claiming to offer services to stop foreclosures. Last month, the Strike Force announced the indictments of Gerri Sheppard and Gary Trafford, who led a massive robo-signing scheme which resulted in the filing of tens of thousands of fraudulent documents. Nevada is also suing Bank of America and its subsidiaries, including Countrywide, for violations of a Consent Judgment for mortgage servicing and mortgage origination irregularities.

The Mortgage Investigation Alliance is the product of weeks of discussion between Attorneys General Harris and Masto regarding the most effective and efficient means of achieving justice for their respective states. Today's announcement formalizes an agreement reached between the two officials last week.

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FOR IMMEDIATE RELEASE
DATE: December 16, 2011

Contact: Jennifer Lopez
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NEVADA ATTORNEY GENERAL SUES LENDER PROCESSING SERVICES FOR CONSUMER FRAUD

Carson City, NV – Attorney General Catherine Cortez Masto announced today a lawsuit against Lender Processing Services, Inc., DOCX, LLC, LPS Default Solutions, Inc. and other subsidiaries of LPS (collectively known “LPS”) for engaging in deceptive practices against Nevada consumers.

The lawsuit, filed on December 15, 2011, in the 8th Judicial District of Nevada, follows an extensive investigation into LPS’ default servicing of residential mortgages in Nevada, specifically loans in foreclosure. The lawsuit includes allegations of widespread document execution fraud, deceptive statements made by LPS about efforts to correct document fraud, improper control over foreclosure attorneys and the foreclosure process, misrepresentations about LPS’ fees and services, and evidence of an overall press for speed and volume that prevented the necessary and proper focus on accuracy and integrity in the foreclosure process.

“The robo-signing crisis in Nevada has been fueled by two main problems: chaos and speed,” said Attorney General Masto. “We will protect the integrity of the foreclosure process. This lawsuit is the next, logical step in holding the key players in the foreclosure fraud crisis accountable.”

The lawsuit alleges that LPS:

1. Engaged in a pattern and practice of falsifying, forging and/or fraudulently executing foreclosure related documents, resulting in countless foreclosures that were predicated upon deficient documentation;
2. Required employees to execute and/or notarize up to 4,000 foreclosure related documents every day;

3. Fraudulently notarized documents without ensuring that the notary did so in the presence of the person signing the document;
4. Implemented a widespread scheme to forge signatures on key documents, to ensure that volume and speed quotas were met;
5. Concealed the scope and severity of the document execution fraud by misrepresenting that the problems were limited to clerical errors;
6. Improperly directed and/or controlled the work of foreclosure attorneys by imposing inappropriate and arbitrary deadlines that forced attorneys to churn through foreclosures at a rate that sacrificed accuracy for speed;
7. Improperly obstructed communication between foreclosure attorneys and their clients; and
8. Demanded a kickback/referral fee from foreclosure firms for each case referred to the firm by LPS and allowed this fee to be misrepresented as “attorney’s fees” on invoices passed on to Nevada consumers and/or submitted to Nevada courts.

LPS’ misconduct was confirmed through testimony of former employees, interviews of servicers and other industry players, and extensive review of more than 1 million pages of relevant documents. Former employees and industry players describe LPS as an assembly-line sweatshop, churning out documents and foreclosures as fast as new requests came in and punishing network attorneys who failed to keep up the pace.

LPS is the nation’s largest provider of default mortgage services, processing more than fifty percent of all foreclosures annually.

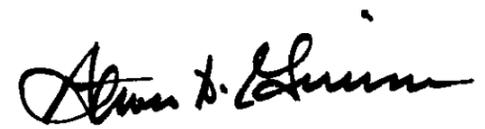
The Office of the Nevada Attorney General recently indicted Gary Trafford and Gerri Sheppard as part of a separate, criminal investigation into the conduct of robo-signing scheme which resulted in the filing of tens of thousands of fraudulent documents with the Clark County Recorder’s Office between 2005 and 2008.

Nevada homeowners who are in foreclosure or are facing foreclosure are advised to seek assistance as soon as possible. Homeowners can find information for a counseling agency approved by the U.S. Department of Housing and Urban Development (HUD) by calling 800-569-4287 or by visiting <http://1.usa.gov/NVCounselingAgencies> . Additional information on foreclosure resources can be found at www.foreclosurehelp.nv.gov.

Anyone who has information regarding this case should contact the Attorney General’s Office hotline at 702-486-3132 (when promoted select “0”) to obtain information on how to submit a written complain. Nevada consumers can file a complaint with the Nevada Attorney General’s Office about LPS by sending a letter with copies of any supporting documentation to the Nevada Office of the Attorney General, Bureau of Consumer

Protection: 555 E. Washington Ave Suite 3900, Las Vegas, Nevada 89101

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CLERK OF THE COURT

COMPB
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**DISTRICT COURT
CLARK COUNTY, NEVADA**

STATE OF NEVADA,)
)
Plaintiff,)
)
vs.)
)
LENDER PROCESSING SERVICES, INC.;)
FIDELITY NATIONAL INFORMATION)
SERVICE, INC.;)
LPS DEFAULT SOLUTIONS, INC.;)
DOCX, LLC; DOES I-XX,)
)
Defendants.)

CASE NO.: A - 11 - 653289 - B
DEPT. NO.: XI

**BUSINESS COURT REQUESTED
ARBITRATION EXEMPTION—
Action in Equity**

COMPLAINT

I. NATURE AND SUMMARY OF THE ACTION

1. In October 2011, Nevada recorded the highest foreclosure rate in the country for the 58th straight month.¹ During the month of October 2011 alone, one out of every ninety-five homes in Nevada received a foreclosure notice.² Defendants' deceptive business practices caused many of these Nevada foreclosures to proceed under false pretenses.

2. Since at least 2007, Defendants Lender Processing Services, Inc., its predecessor Fidelity National Information Services, Inc., and by and through its subsidiaries including but not limited to DOCX, LLC and LPS Default Solutions, Inc. (collectively "LPS" or "Defendants"), have

¹ Nevada Leads the Nation in Foreclosures; Las Vegas Loses the Top Spot, Reno-Gazette Journal (Nov. 10, 2011), <http://www.rgj.com/article/20111110/BIZ/111110004/Nevada-leads-nation-foreclosures-Las-Vegas-loses-top-spot?odyssey=nav%7Chead>.

² One out of 82 Homes in Las Vegas received a foreclosure notice, KTNV (June 10, 2011), <http://www.ktnv.com/news/local/123615369.html>.

1 engaged in a pattern and practice of deceptive conduct that willfully misled consumers, courts,
2 and the public, resulting in countless foreclosures that were predicated upon false, deceptive and
3 deficient documents that LPS prepared and/or executed and included fees that were
4 mischaracterized and deceptively passed on to consumers.

5 3. Specifically, LPS falsified, forged and/or fraudulently executed an unknown number
6 of foreclosure-related documents in Nevada and across the country that: (1) LPS filed or knew
7 would be filed in Nevada courts and/or with county recorders in Nevada; and/or (2) LPS knew
8 would be provided to consumers; and/or (3) LPS transmitted to its mortgage servicer clients
9 (“Servicers”). LPS knew these documents would be relied upon by homeowners, courts,
10 attorneys and Servicers to pursue foreclosures on properties located in Nevada.

11 4. LPS concealed the fact that DOCX employees forged signatures on thousands of
12 key mortgage documents by falsely representing that the problems involved only a clerical,
13 notarization error.

14 5. Following the exposure of deceptive document execution practices at DOCX in
15 Georgia, LPS then misrepresented that it had processes and internal controls in place at the LPS
16 Default Solutions office in Minnesota to ensure that affidavits were signed properly and in
17 accordance with industry standard. LPS senior executives expressly contradicted these
18 representations in sworn court testimony.

19 6. LPS also improperly directs and/or controls the work of foreclosure attorneys in the
20 LPS Network. LPS claims it is merely a technology provider and administrative middle-man,
21 when in truth LPS handles core responsibilities traditionally in the purview of Servicers, including
22 providing direction to foreclosure attorneys about how and when to proceed with various steps in
23 the foreclosure process and obstructing communication between foreclosure firms and their
24 Servicer-clients. In so doing, LPS masks and misrepresents its own role in the foreclosure
25 process.

26 7. LPS charges foreclosure attorneys a substantial referral fee, amounting to a
27 kickback, for every new foreclosure case. LPS allows these referral fees to be characterized
28 deceptively as “attorney’s fees” or “trustee fees” on invoices transmitted through the LPS system

1 to Servicers. These deceptive fees ultimately are passed on to Nevada consumers and/or
2 submitted to courts.

3 8. The foreclosure crisis has been fueled by two main problems: chaos and speed.
4 LPS' business model is designed to take advantage of the former by increasing the latter. The
5 faster LPS is able to process foreclosures – without regard to the accuracy of the documents or
6 the integrity of the process – the more money LPS makes.

7 9. LPS is the nation's dominant provider of mortgage default services, processing
8 more than fifty percent (50%) of all foreclosures annually.³ As of 2010, default management
9 services comprised the largest part of LPS' business, accounting for approximately forty-three
10 percent (43%) of the company's total 2010 revenue of \$2.456 billion.⁴

11 10. LPS achieved its dominant market share by offering mortgage Servicers a product
12 that is too good to be true – managing key aspects of the foreclosure process *for free*. LPS
13 promises Servicers that it can reduce their costs, shorten foreclosure timelines, and allow
14 Servicers to pass savings on to their own investor-clients. LPS compressed foreclosure
15 timelines well beyond what industry standards required by forcing its own employees to churn
16 out documents faster than anyone could review or verify them. LPS also forces foreclosure
17 attorneys and trustees in the LPS Network to meet aggressive and arbitrary deadlines, resulting
18 in a legal process that is riddled with inaccuracies.

19 11. At least a dozen state and federal law enforcement agencies have launched civil
20 investigations of LPS' role in the foreclosure process. In addition to the Nevada Attorney
21 General's Office, numerous other state Attorneys General are investigating LPS.

22 12. Indeed, on April 13, 2011 LPS entered into a Consent Order with the federal
23 interagency investigation led by the Office of the Comptroller of Currency, the Board of
24 Governors of the Federal Reserve, the Federal Deposit Insurance Commission, and the Office of
25 Thrift Supervision.⁵ Under the Consent Order, LPS is required to remediate improperly executed
26 mortgage documents and to audit, monitor and correct its deficient default business practices.

27
28 ³ Mark Basch, *The LPS Solutions*, Florida Times-Union, Mar. 13, 2011.

⁴ *Id.*

⁵ Ex. A.

1 13. On information and belief, LPS also has been the subject of criminal law
2 enforcement investigations relating to its unlawful document execution practices.⁶

3 **A. Nevada Attorney General's Office Civil Investigation of LPS**

4 14. The Nevada Attorney General ("Attorney General" or "State") served LPS with a
5 subpoena on October 15, 2010, notifying the company that it was under investigation for
6 potential violations of the Nevada Deceptive Trade Practices Act, Nev. Rev. Stat. §§ 598, *et seq.*

7 15. In connection with its civil law enforcement investigation, the Attorney General
8 reviewed extensive discovery related to LPS' business practices, interviewed former LPS
9 employees and LPS' Servicer clients, and examined Nevada foreclosure records affected by
10 LPS' deceptive conduct. The State's investigation uncovered evidence of serious misconduct by
11 LPS at nearly every stage of the foreclosure process:

12 a. LPS misrepresented the authenticity, accuracy and validity of legal
13 documents filed with courts or county recorders and/or transmitted to
14 Servicers or consumers in connection with residential foreclosures in
15 Nevada. This misconduct included forging signatures on at least tens of
16 thousands of assignments of mortgage and fraudulently executing affidavits,
17 substitutions of trustee and other mortgage documents in Nevada and
18 across the country.

19 b. LPS misrepresented that it had internal controls and processes in place to
20 ensure that the foreclosure-related documents it executed were accurate,
21 reliable and legally valid. LPS then misrepresented the nature and scope of
22 the foreclosure-related documents that it had fraudulently and/or
23 erroneously executed.

24 ///

25 ///

26 ///

27
28 ⁶ The Attorney General's Office has instituted a wall between this civil investigation and any and all criminal investigations or proceedings against named defendants and their known subsidiaries, including that which resulted in the indictment of three individuals who worked at LSI Title, a subsidiary of LPS.

1 c. LPS misrepresents the quality and characteristics of its services,
2 fraudulently asserting that its role in the foreclosure process is limited to
3 serving as a technology conduit between foreclosure firms and mortgage
4 Servicers. In truth, LPS exerts hidden, undue and improper control over the
5 foreclosure and bankruptcy processes and takes over many of the
6 Servicers' and foreclosure attorneys' key duties and responsibilities.

7 d. LPS demands kickbacks from the foreclosure firms in the LPS "Network"
8 and knows that LPS' Servicer clients pass on the cost of these kickbacks to
9 Nevada consumers by deceptively labeling them as "attorney's fees" or
10 "trustee fees" within the foreclosure file. In so doing, LPS violates Nevada
11 law by misrepresenting the nature and source of the goods or services
12 provided.

13 16. As a result of these acts, LPS played a critical role in the deceptive foreclosure
14 practices that have harmed Nevada homeowners and burdened Nevada courts. Nevada
15 consumers have paid the ultimate price, through bankruptcies, evictions and foreclosures that
16 were predicated upon false, forged, fraudulent and/or inaccurate documents. Moreover,
17 consumers have paid millions of dollars in hidden and deceptively labeled kickbacks and other
18 fees that LPS charged and that LPS knew were and/or caused to be passed on to the consumer.

19 17. LPS engaged in systematic and egregious violations of the Nevada Deceptive
20 Trade Practices Act ("DTPA"), Nev. Rev. Stat. §§ 598, *et seq.*, misleading Nevada consumers
21 and courts about the nature and costs of the goods and services it provided and deceptively and
22 improperly initiating and/or accelerating the processing of thousands of foreclosures on Nevada
23 homes.

24 **II. PARTIES AND VENUE**

25 18. Plaintiff is the State of Nevada, *ex rel.* Catherine Cortez Masto, the Attorney
26 General of Nevada, who is authorized to bring this action under the Nevada Deceptive Trade
27 Practices Act, Nev. Rev. Stat. §§ 598, *et seq.*

1 19. Defendant Fidelity National Information Service, Inc. ("FIS") is a Georgia
2 corporation with its principal place of business at 601 Riverside Avenue, Jacksonville, Florida,
3 32204. FIS was the parent corporation of Lender Processing Services, Inc. until July 2, 2008.

4 20. Defendant Lender Processing Services, Inc. ("LPS, Inc.") is a Delaware corporation
5 with its principal place of business at 601 Riverside Avenue, Jacksonville, Florida 32204. LPS,
6 Inc. was incorporated in December 2007 as a wholly-owned subsidiary of FIS. On July 2, 2008,
7 FIS completed the process of spinning off LPS, Inc. as a separate company.

8 21. At all times material to this Complaint, LPS, Inc. or FIS was doing business in the
9 State of Nevada. LPS Default Solutions, Inc. and DOCX, LLC are subsidiaries of LPS, Inc. and
10 were previously subsidiaries of FIS.

11 22. Defendant LPS Default Solutions, Inc. ("LPS Default Solutions") is a Delaware
12 corporation that is a subsidiary of LPS. Its principal place of business is at 601 Riverside
13 Avenue, Jacksonville, Florida 32204. At all times material to this Complaint, LPS Default
14 Solutions or its predecessors were doing business in connection with mortgage loans in Nevada.
15 Fidelity National Foreclosure Solutions and FIS Foreclosure Solutions, Inc. were predecessors of
16 LPS Default Solutions. In October 2007, Fidelity National Foreclosure Solutions changed its
17 name to FIS Foreclosure Solutions, Inc. FIS Foreclosure Solutions was renamed LPS Default
18 Solutions, Inc. after LPS, Inc. was spun off from FIS in July 2008.

19 23. Defendant DOCX, LLC, a/k/a Document Solutions ("DOCX"), was a Georgia limited
20 liability company and a subsidiary of LPS, Inc., with its principal place of business in Alpharetta,
21 Georgia. DOCX closed in 2010.

22 24. DOES I-XX, unnamed subsidiaries of FIS and LPS, Inc., contributed to the
23 misconduct alleged herein.

24 25. Venue is proper in the District Court of Clark County pursuant to the Nevada
25 Deceptive Trade Practices Act, Nev. Rev. Stat. § 598.0989.

1 **III. LPS' BUSINESS MODEL**

2 26. LPS promotes itself as the nation's leading provider of mortgage processing
3 services, settlement services, and default solutions.⁷ Its clientele includes a majority of the
4 country's 50 largest banks. LPS' default services revenue, the portion of LPS' business that
5 includes foreclosure services, quadrupled from \$277.8 million in 2006 to more than \$1 billion of
6 annual revenue in both 2009 and 2010.⁸

7 27. LPS gained a dominant position in the default management services arena through
8 two technology platforms. LPS' Mortgage Servicing Package ("MSP") is a proprietary technology
9 platform that allows Servicers to administer all aspects of loan servicing, including payment
10 processing, customer service, investor reporting and even writing letters to consumers.⁹ MSP is
11 the leading loan servicing platform in the industry, supporting nearly half of all first mortgages
12 and approximately 27 million loans overall.¹⁰

13 28. For servicing of mortgage loans in default (loans that are typically 60+ days
14 delinquent), LPS offers a web-based platform called LPS Desktop ("Desktop"), which provides a
15 step-by-step process for each task in the foreclosure process. Desktop automates and monitors
16 deadlines associated with each task, and it tracks, time-stamps and permanently records all
17 actions and communications taken with respect to that foreclosure. In addition, Desktop
18 captures, organizes and stores information from foreclosure-related documents (such as notices
19 of default, substitutions of trustee and assignments). Finally, Desktop generates and manages
20 invoices sent by Network Firms to Servicers. Importantly, Desktop also tracks the Network
21 Firms' compliance with LPS-imposed timelines for foreclosures.

22 29. As of 2010, the majority of the country's top 20 Servicers were using MSP, Desktop
23 or both.

24 30. Through these technology platforms, LPS has been able to manage core aspects
25 of the foreclosure process on behalf of its Servicer-clients. When a loan goes into default, it is

26 ⁷ Available at <http://www.lpsvcs.com/Pages/default.aspx> (last visited Dec. 11, 2011).

27 ⁸ Mark Basch, *The LPS Solutions*, Florida Times-Union, Mar. 13, 2011.

28 ⁹ *MSP: The Servicing Technology Leader*, <http://www.lpsvcs.com/Products/Mortgage/Servicing/ServicingPlatform/Pages/default.aspx> (last visited in Dec. 11, 2011).

¹⁰ Lender Processing Services, Inc., Annual Report (Form 10-K) (Mar. 1, 2011).

1 coded for foreclosure on the Servicer's system, at which point Desktop automatically initiates a
2 referral of the matter to a law firm or trustee company in the LPS network ("Network Firm").
3 Desktop electronically transmits to the Network Firm a "referral package" that contains key
4 documents and information from the Servicer (such as copies of the relevant note and mortgage
5 and MSP screenshots showing the unpaid balance on the loan) to the Network Firm. Upon
6 acceptance of the referral, LPS charges the Network Firm a referral or kickback fee, which LPS
7 labels an "admin fee."

8 31. LPS provides its Servicer clientele with at least two other core services.

9 a. First, LPS monitors borrower loan files to ensure that the assigned Network
10 Firm processes foreclosures within – or in many cases, faster than is
11 required by – investors' foreclosure timelines. In this capacity, LPS has
12 assigned itself responsibility for approving or rejecting requests by Network
13 Firms for foreclosure deadline extensions and for responding to a range of
14 other requests and questions submitted by the Network Firms. The Network
15 Firms have little or no contact with their alleged clients, the Servicers.

16 b. Second, from at least 2006 through 2010, LPS executed various foreclosure
17 and mortgage-related documents on behalf of its Servicer-clients.¹¹ These
18 documents included assignments of mortgage, substitutions of trustee, lien
19 releases and other mortgage documents that are needed to establish the
20 lender's or Servicer's authority or standing to foreclose.

21 32. LPS' business model depends on Servicers agreeing to utilize foreclosure
22 attorneys and trustees that were part of the LPS Network. LPS constructed its Network so that
23 LPS itself – not the mortgage Servicer – serves as the exclusive gatekeeper for the foreclosure
24 firms that want access to LPS' clientele and millions of dollars in foreclosure-related fees. LPS
25 monetizes this powerful position by requiring these Network Firms to pay kickbacks to LPS to
26 obtain foreclosure and foreclosure-related bankruptcy¹² work through the LPS Network.

27 ¹¹ On information and belief, DOCX stopped executing documents in 2009 and LPS Default Solutions stopped
28 executing documents in 2010.

¹² In addition to the foreclosure-related work, such as a motion for relief from stay, LPS also refers proofs of claim to
Network Firms.

1 33. As set forth below, the Servicers outsourced core components of their business to
2 a third-party vendor that lacked the controls and capabilities to ensure that foreclosures
3 proceeded properly, honestly and lawfully.

4 **IV. LPS' DECEPTIVE DOCUMENT EXECUTION PRACTICES**

5 34. LPS reduced the document execution process to a high-speed, rote assembly line,
6 where unskilled employees signed and executed thousands of documents every day. Many of
7 these employees were hired through temp agencies. None received any meaningful training. All
8 were told to sign or notarize documents and not to question whether the process was legitimate.

9 35. At DOCX in Georgia, senior management implemented a scheme that required
10 approximately eight (8) to ten (10) temporary employees to forge signatures on thousands of
11 documents every day. DOCX relied on the same temp agency to provide notaries, who were
12 instructed by DOCX to improperly and fraudulently notarize thousands of documents every day.
13 This widespread misconduct ultimately led to the shut-down of the company in 2010.

14 36. At the LPS Default Solutions office in Minnesota, the company established a
15 document execution "production line" to execute as many documents as quickly as possible. But
16 in the rush to execute documents – *and per LPS policies and procedures* – LPS employees who
17 signed documents were not placed under oath, did not sign in presence of notaries, and/or did
18 not have personal knowledge of the information to which they attested.

19 **A. Widespread Forgeries: DOCX Implements the "Surrogate Signing" Scheme**

20 37. Throughout at least 2009, DOCX employees forged and fraudulently notarized tens
21 of thousands of mortgage-related documents. On information and belief, these documents
22 included but were not limited to assignments of mortgage and lien releases. DOCX
23 misrepresented the veracity and integrity of these documents to courts, county recorders,
24 consumers, and even its own Servicer-clients. LPS was well aware that Servicers and courts
25 relied on these documents to foreclose on homes in Nevada.

26 38. Defendants devised and then concealed their forgery scheme. First, DOCX took
27 advantage of a process that was already in place – that some Servicers had granted specific
28 DOCX employees limited authority to execute documents on the Servicer's behalf. The

1 Servicers granted this authority by designating certain DOCX employees as “Special Officers” –
2 either Vice Presidents or Assistant Secretaries – of the Servicer. These Special Officers were
3 “authorized signers” for the Servicer.

4 39. By 2009 or earlier, the “authorized signers” could not keep pace with the massive
5 quantity of documents DOCX had agreed to prepare and execute. Rather than lose business or
6 reduce profits, DOCX’s senior leadership, led by its President Lorraine Brown, devised and
7 implemented a scheme to fraudulently expand the company’s power to sign these documents.
8 DOCX euphemistically called the practice “surrogate signing,” but a more accurate description is
9 forgery.

10 40. Specifically, DOCX implemented a policy that authorized the use of forged
11 signatures on mortgage documents. LPS even invented an official form, called the [REDACTED]
12 [REDACTED].”¹³ The company required the “authorized signer” and
13 the corresponding “surrogate signer” (forger) to sign the [REDACTED]
14 [REDACTED] to make the practice seem legitimate. On information and belief, DOCX did not
15 seek or receive permission from its Servicer client for this forging scheme and, in fact, it appears
16 that DOCX and later LPS concealed this scheme from the Servicers.

17 41. American Home Mortgage Services, Inc. (“AHMSI”) recently filed a lawsuit against
18 LPS and DOCX, Cause No. 11-10440 (Dist. Ct. Dallas Co.), alleging that DOCX forged over
19 30,000 assignments of mortgage on AHMSI’s behalf, and that LPS then tried to conceal this
20 scheme.

21 42. AHMSI alleges that these forgeries took place throughout 2009 and affected
22 assignments that were filed with county recorders throughout the country. The Attorney
23 General’s investigation revealed that at least 876 AHMSI assignments were filed in Nevada.

24 43. As alleged in its lawsuit, AHSMI became aware of the widespread forgeries only
25 after LPS attempted to get AHMSI to authorize the forgery policy retroactively.

26 ///

27 ///

28

¹³ Ex. B.

1 44. LPS proposed changes to the existing corporate resolution included language
2 authorizing “all actions previously taken by the officers hereby appointed,” and “***all actions***
3 ***previously taken*** by the foregoing officers ***and/or their designees***.”¹⁴ (Emphases added).

4 45. AHMSI’s board of directors rejected the new language. As alleged in the AHMSI
5 lawsuit, it was only after failing to obtain approval for the new language that LPS disclosed to
6 AHMSI that DOCX had forged signatures of the “authorized signers” on at least 30,000
7 documents.

8 46. On information and belief, DOCX similarly forged signatures on thousands of
9 assignments of mortgage for at least one other Servicer, Saxon Mortgage Services, Inc.
10 (“Saxon”). The Attorney General’s law enforcement investigation revealed that DOCX forged
11 signatures of the “authorized signers” on at least 4,322 documents on behalf of Saxon; at least
12 111 of these documents were filed with county recorders in Nevada.

13 47. On information and belief, DOCX forged signatures on thousands of other
14 mortgage-related documents relating to Nevada properties.

15 48. LPS shut down its DOCX operation in Georgia in 2010, following extensive media
16 attention about its widespread practice of forging foreclosure-related documents.

17 49. The assignments that DOCX forged caused direct and grievous harm to Nevada
18 consumers whose foreclosures were tainted by fraudulent documentation that failed to establish
19 that the Servicer had the authority to foreclose.

20 50. The forgery rendered DOCX assignments deceptive. The surrogate signers did not
21 have the Servicers’ authority to sign their own names, and presenting themselves as the
22 “authorized signers” heightened, rather than cured, the problem. Thus, both the identity of the
23 actual signers and the representation of the assignments as valid were false.

24 51. DOCX tried to give its “surrogate signing” policy the appearance of legitimacy by
25 inventing the “Surrogate Signing” form, which purported to grant the “surrogate signer” authority
26 akin to a power-of-attorney. A power of attorney, however, involves the signatory signing his or
27

28 ¹⁴ Ex. C, Nov. 12, 2009 E-mail from S. Newman of LPS, Inc. to Norton Wells at AHMSI, attaching proposed corporate resolution.

1 her own name, on behalf of the authorized signer. By contrast, DOCX's scheme required the
2 "surrogate" to *forge the name of the authorized signer*. On information and belief, LPS
3 concealed this deceptive practice from the public, the courts, and its Servicer-clients.

4 **1. DOCX Employees Confirm and Condemn the Forgery Scheme**

5 52. DOCX relied on unskilled, temporary employees to forge signatures on countless,
6 critical mortgage documents. The Attorney General's Office interviewed former employees and
7 discovered disturbing evidence of widespread fraud.

8 53. Confidential Witness #1 was one of the "surrogate signers" hired through the temp
9 agency, Manpower. It is Confidential Witness #1's understanding that all of the "surrogate
10 signers" – and also all of the notaries – who worked in the Signing Room at DOCX were hired
11 through temp agencies.

12 54. At the time she was hired, Confidential Witness #1 was 18-years old, with a high-
13 school education. She was paid \$11 / hour.

14 55. When she began working at DOCX, manager Jeffrey Baldwin told Confidential
15 Witness #1 that her "job was to forge somebody else's signature on documents." Confidential
16 Witness #1 signed a DOCX form that purported to authorize her to forge the signature of Christie
17 Baldwin, an "authorized signer."

18 56. As a surrogate signer, Confidential Witness #1 received "no training or written
19 instructions about [her] job duties." When she asked what documents she would be responsible
20 for signing, manager Jeffrey Baldwin told her "not to worry about the documents and not to read
21 the documents . . . just sign the documents as fast as" she could.

22 57. The "surrogate signers" sat together at two tables in the Signing Room, where they
23 forged signatures on mortgage documents day in and day out throughout 2009.

24 58. Confidential Witness #1 estimates that she forged the signature of "authorized
25 signer" Christie Baldwin on approximately 2,000 documents every work day for a period of
26 months.

1 59. Other former DOCX employees had similar experiences. Confidential Witness #2
2 was also hired as a temporary employee through Manpower. Similar to Confidential Witness #1,
3 he was paid \$10 / hour and had only a high school diploma.

4 60. Confidential Witness #2's job was to forge the signature of "authorized signer"
5 Linda Green on thousands of documents each day. Like Confidential Witness #1, Confidential
6 Witness #2 received no training and no explanation about the documents he would be signing.

7 61. Confidential Witness #2 remembered signing a DOCX form that purported to
8 authorize him to forge Linda Green's signature. He also recalled that, "after awhile, the company
9 got real loose with its policies and [he] was told to [sign for] Brent Bagley also," even though he
10 had not signed any DOCX forms in connection with Brent Bagley.

11 62. Confidential Witness #2 estimates that he signed up to 4,000 or 5,000 documents
12 each work day throughout 2009 as a "surrogate signer."

13 63. When the Signing Room was especially busy, Confidential Witness #2 recalled that
14 the notaries sometimes "*notarized documents even before [he] signed Linda Green's name on*
15 *them.*" He remembers that one of the notaries "questioned [manager] Jeffrey Baldwin about this,
16 asking how she could be certain that a document that she '*pre-notarized*' would even be signed."
17 Confidential Witness #2 recalls that Mr. Baldwin offered no explanation and "just told her to go
18 ahead and notarize the documents."

19 64. Even more disturbing is Confidential Witness #2's account of the day an executive
20 from one of the Servicers toured the DOCX facility. Before visiting the Signing Room, senior
21 manager Renee Gaglione told everyone in the Signing Room "*to lie and tell [the bank executive]*
22 *that [they] were signing [their] own names instead of signing the names of other people.*"

23 65. Confidential Witness #2 also remembers working with at least one "surrogate
24 signer" whose could not speak or understand English very well. He doesn't believe "she could
25 read English very well [either], but since reading documents was not part of [the] job, it didn't
26 matter."

27 66. Both Confidential Witnesses #1 and #2 feel "lied to" and "taken advantage" of by
28 DOCX. They each remember trying to ask questions about the legitimacy of the surrogate

1 signing policy, and they each recall that DOCX managers repeatedly provided assurances that
2 the practice was “legal and above-board.”

3 67. DOCX “surrogate signers” mechanically forged signatures on thousands of
4 documents, day after day, month after month. Their supervisors provided no training and no
5 answers to questions; they just told them to sign more and to sign faster. Servicers relied on
6 these fraudulent documents to foreclose on thousands of homeowners, including homeowners in
7 Nevada.

8 2. The Notarization Process Was Equally Fraudulent and Deceptive

9 68. DOCX multiplied the deception in its document execution practices by fraudulently
10 notarizing the forged documents. The notarizations falsely attested that the person whose
11 signature appeared on the document “personally appeared” before the DOCX notary, when in
12 fact the signature had been forged by a “surrogate” signer.

13 69. Confidential Witness #1 later worked as a DOCX notary (still as a temporary
14 employee through Manpower). DOCX provided no training about the duties and obligations of a
15 notary. In fact, she described the notarization process at DOCX as “almost exactly the same as
16 ‘surrogate’ signing, except that, instead of signing documents I was notarizing them.” The
17 notaries worked in the Signing Room with the “surrogate signers,” notarizing thousands of
18 documents every day.

19 70. Confidential Witness #1 states that it “is possible that [she] actually notarized
20 documents that [she] had signed as a ‘surrogate.’” This is possible because [she] was signing
21 her own name as a notary, but forging someone else’s name as a “surrogate signer.”

22 71. She and other notaries “regularly notarized documents when the person signing
23 the document wasn’t in the same room as her” and she and other notaries regularly notarized
24 documents signed by “surrogates.”

25 72. Both of the actions constitute deceptive practices, because notaries represent that
26 they have notarized documents in the presence of the signatories and also that that the
27 signatories are signing their own names.

28

1 73. Manager Jeffrey Baldwin told Confidential Witness #1 that the “only difference”
2 between [her] job as a notary and [her] job . . . as a ‘surrogate’ signer was that [she] would be
3 signing [her] own name as a notary and that now [she] had ‘a stamp.’”

4 74. Mr. Baldwin gave Confidential Witness #1 the same instructions for notarizing as
5 he did for “surrogate” signing: “don’t take the time to read the document.” Confidential Witness
6 #1 states that, “in fact, there would have been no way to [notarize the required number] of
7 documents every day if [she] tried to read the documents – there was nowhere near enough
8 time.”

9 75. Confidential Witness #2 recalls that Mr. Baldwin required the notaries to notarize a
10 minimum of “250 documents an hour,” or about 2,000 notarizations per day per notary.

11 76. Confidential Witness #1 told the State that she learned about the proper way to
12 notarize documents, “in the presence of the person signing . . . [his or her] own name,” only after
13 leaving DOCX. She believes that DOCX took advantage of her and other workers by
14 misrepresenting that the document execution practices were legitimate.

15 77. The fraudulent notarization is evident in one of the assignments DOCX forged on
16 AHMSI’s behalf in which the DOCX notary falsely attests that Linda Green appeared and
17 executed the assignment before her, when in fact the assignment had been forged by a
18 “surrogate” signer.¹⁵ DOCX filed this assignment with the Clark County Recorder’s Office in
19 Nevada on February 27, 2009.

20 78. DOCX publicly recorded these forged and fraudulently notarized assignments with
21 county recorders in Nevada and throughout the country. These documents also were submitted
22 to courts and/or transmitted to Servicers and/or relied upon to prove the Servicer’s standing to
23 foreclosure in court-supervised foreclosures in Nevada.

24 79. By willfully executing and recording forged and fraudulently notarized assignments,
25 LPS (through DOCX) engaged in deceptive practices that violate several provisions of the
26 Nevada Deceptive Trade Practices Act, including but not limited to Nev. Rev. Stat. § 598.0915(2)
27 (“[k]nowingly makes a false representation as to the source, sponsorship, approval or

28 ¹⁵ Ex. D.

1 certification of goods or services for sale or lease”); and/or § 598.0915(3) (“[k]nowingly make a
2 false representation as to affiliation, connection, association with or certification by another
3 person”); and/or § 598.0915(5) (“[k]nowingly makes a . . . false representation as to the
4 sponsorship, approval, status, affiliation or connection of a person therewith”); and/or §
5 598.0915(15), (“[k]nowingly makes any other false representation in a transaction”). LPS also
6 violated Nev. Rev. Stat. § 598.092(8), which prohibits “[k]nowingly misrepresent[ing] the legal
7 rights, obligations or remedies of a party to a transaction,” by misrepresenting or creating a
8 misrepresentation that the foreclosing entity actually had the legal or statutory authority to
9 foreclose.

10 **B. LPS Default Solutions in Minnesota: More Evidence of Deceptive Document**
11 **Execution Practices**

12 80. LPS’ deceptive document execution practices were not limited to the institutional
13 misconduct at DOCX. At Default Solutions in Minnesota, LPS executed tens of thousands of
14 deceptive and defective assignments, affidavits, substitutions of trustee and other mortgage
15 documents.

16 81. LPS has asserted that its Minnesota operation stopped executing affidavits in mid-
17 2008 and that it stopped executing all other documents in 2010. Prior to ending its document
18 execution service, however, LPS spent years executing countless documents that contained
19 critical misrepresentations, including but not limited to: false assertions that the affiant or
20 declarant had personal knowledge of the facts in the affidavit or declaration, false assertions
21 about which entity was authorized to foreclose, and false assertions about whether the consumer
22 was delinquent on a loan payment.

23 82. Nevada law requires that the aforementioned mortgage documents be in place to
24 lawfully proceed with a foreclosure.

25 a. Assignments of the deed of trust may be required to show that the Servicer
26 has established the proper chain of title and authority to foreclose.

27 b. If, as is often the case, the entity processing the foreclosure is not the
28 beneficiary or trustee identified in the original deed of trust, the Servicer

1 must execute an additional document, called a "substitution of trustee," to
2 establish that the entity processing the non-judicial foreclosure is authorized
3 to do so.

4 c. Default affidavits and/or declarations are accepted by courts in lieu of live
5 testimony to establish that the lender or Servicer is the holder of the secured
6 claim and that the borrower has defaulted on post-bankruptcy petition
7 payments in order to foreclose during bankruptcy.

8 83. As demonstrated below, LPS' deceptive document execution practices resulted in
9 false, fraudulent and/or erroneous assignments, substitutions of trustee, default affidavits and/or
10 other mortgage documents. On information and belief, Servicers relied on these faulty
11 documents to foreclose on Nevada homeowners.

12 84. Moreover, even once its conduct became known, LPS failed to correct its
13 misleading documents, substitute documents that were honest and valid, and to notify courts,
14 county recorders, and consumers of its practices.

15 **1. LPS' Minnesota Office Engaged in Widespread Robo-Signing of**
16 **Deceptive Affidavits, Assignments and Other Mortgage Documents**

17 85. LPS' Minnesota office mass-produced affidavits, assignments, substitutions of
18 trustee and other mortgage documents that were fraudulently notarized and contained other
19 false and/or erroneous representations.

20 86. LPS' Minnesota office generated these mortgage documents using what one news
21 article described as "Henry Ford [] mass-production techniques." In an internal newsletter, LPS
22 boasted that the company's "Document Execution" team was "set up like a production line" to
23 resolve each document request within 24 hours and sign at least 1,000 documents a day.

24 87. According to Confidential Witness #3, a former supervisor of the Document
25 Execution team in Minnesota, LPS actually executed closer to 1,500 documents a day.

26 88. Confidential Witness #4 is a former LPS employee who worked as part of the
27 Document Execution Team at LPS' Minnesota office. Her job was to gather documents from the
28 printer, sort them, and then take them to the LPS employees who signed the documents.

1 According to Confidential Witness # 4, LPS employees who signed documents did not read or
2 review these documents prior to executing them and did not sign them in the presence of a
3 notary (or a witness, when required).

4 89. The deficiencies in the Minnesota document execution operation described by
5 Confidential Witness #4 mirror the deceptive conduct found at DOCX in Georgia. Specifically,
6 LPS employees in Minnesota executed documents falsely representing that:

- 7 a. The document had been executed in the presence of a notary (when it had
8 not); and/or
- 9 b. The document had been executed in the presence of a witness (when it had
10 not); and/or
- 11 c. The employee signing the document was under oath at the time of
12 execution, (when s/he was not); and/or
- 13 d. They possessed personal knowledge of the facts to which the document
14 attested (when the employees either did not review the document to know
15 whether the information contained therein was accurate and/or did not
16 possess the requisite personal knowledge necessary to attest to the
17 accuracy of the information in the document).

18 90. On information and belief, these deceptive practices were systemic, widespread
19 and authorized by LPS leadership and affected assignments, substitutions of trustee, affidavits
20 and other mortgage documents utilized in connection with Nevada foreclosures. LPS
21 transmitted these deceptive documents to the Servicers, and on information and belief, Servicers
22 relied on them to proceed with foreclosures in Nevada.

23 91. As part of its investigation, the Attorney General located a number of assignments
24 that were recorded with county recorders' offices in Nevada.¹⁶ LPS' fraudulent notarization
25 practices are evident on the face of this exemplar assignment: even though the assignment
26 represents that the LPS employee signed the document in the presence of a notary, notarization
27 occurred on February 6, 2009, six weeks after the execution date of December 25, 2008.

28 ¹⁶ See, e.g., Ex. E.

1 92. The State discovered the same date discrepancy and deception in connection with
2 substitutions of trustee.¹⁷

3 93. In sworn court testimony in a bankruptcy case involving an affidavit executed by
4 LPS that falsely represented that the borrowers had defaulted,¹⁸ senior LPS officials admitted
5 that ***it was company policy*** for LPS employees who executed default affidavits to: (a) falsely
6 represent that they had personal knowledge that the Servicer was the holder of the secured
7 claim; and (b) execute the affidavits without being under oath or in the presence of a notary and
8 witness.¹⁹

9 94. In addition, based on testimony from these senior LPS officials, the court in *Wilson*
10 found that LPS policies and procedures provided an inadequate basis for LPS employees to
11 attest that they have personal knowledge of borrowers' payment history (and resulted in the
12 erroneous default affidavit in that case).

13 95. On information and belief, these company policies and procedures affected default
14 affidavits and other mortgage documents that were relied upon by Servicers in connection with
15 Nevada foreclosure proceedings.

16 96. The aforementioned misrepresentations regarding assignments, substitutions of
17 trustee, default affidavits and other mortgage documents that were filed with courts and/or
18 county recorders in Nevada and/or transmitted to Servicers and/or consumers in connection with
19 Nevada loans violate numerous provisions of the Nevada Deceptive Trade Practices Act,
20 including but not limited to Nev. Rev. Stat. § 598.0915(2) (“[k]nowingly makes a false
21 representation as to the source, sponsorship, approval or certification of goods or services for
22 sale or lease”); and/or § 598.0915(3) (“[k]nowingly make a false representation as to affiliation,
23 connection, association with or certification by another person”); and/or § 598.0915(15),
24 (“[k]nowingly makes any other false representation in a transaction”).

25 97. LPS also violated Nev. Rev. Stat. § 598.092(8), which prohibits “[k]nowingly
26 misrepresent[ing] the legal rights, obligations or remedies of a party to a transaction,” by

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28 ¹⁷ See, e.g., Ex. F (notarization occurred several weeks after execution).

¹⁸ *In re Wilson*, Case No. 07-11862 (Bankr. E.D. La.)

¹⁹ See Ex. G, Excerpts of testimony from Dec. 1, 2010 hearing in *Wilson* at 246:2-248:8; 336:5-337:20, 342:3-25.

1 misrepresenting or creating a misrepresentation that the foreclosing entity actually had the legal
2 or statutory authority to foreclose.

3 **2. LPS Improperly Executed Documents on Behalf of Defunct Entities**

4 98. On information and belief, LPS executed assignments and other mortgage
5 documents on behalf of entities that had gone out of business.

6 99. On information and belief, LPS lacked the authority to execute these mortgage
7 documents on behalf of defunct entities because the entities had not authorized and/or could no
8 longer authorize LPS to execute documents on their behalf. On information and belief, Servicers
9 relied on these documents to foreclose on Nevada homeowners.

10 100. In so doing, LPS knowingly violated numerous provisions of the Nevada Deceptive
11 Trade Practices Act, including but not limited to Nev. Rev. Stat. § 598.0915(2) (“[k]nowingly
12 makes a false representation as to the source, sponsorship, approval or certification of goods or
13 services for sale or lease”); and/or § 598.0915(3) (“[k]nowingly make a false representation as to
14 affiliation, connection, association with or certification by another person”); and/or §
15 598.0915(15) (“knowingly make any other false representation in a transaction”) and/or §
16 598.092(8) (“knowingly misrepresent the legal rights, obligations or remedies of a party to a
17 transaction”).

18 101. Because these entities were defunct, they had no servicing rights or ownership
19 over the mortgages and/or did not have the ability to authorize LPS employees to sign
20 documents as “Special Officers” on their behalf. Thus, LPS lacked the authority to execute
21 documents on behalf of these entities.

22 102. For example, Reuters conducted an investigation that found that LPS employees
23 signed assignments on behalf of Encore Credit Corporation in January 2010, even though that
24 company had been defunct since 2008.²⁰ The report also uncovered assignments executed by
25 LPS on behalf of American Brokers Conduit after that company had been liquidated in
26 bankruptcy, and for Sand Canyon Corporation well after it exited the mortgage business.

27
28
²⁰ Scott Paltrow, *Special Report: Legal Woes Mount for a Foreclosure Kingpin*, Reuters, Dec. 6, 2010.

1 103. On information and belief, LPS executed assignments, substitutions of trustee
2 and/or other mortgage documents on behalf of defunct entities that were sent to Servicers and
3 were filed with county recorders in Nevada.

4 **C. LPS Made Deceptive Statements to the Public and Investors about Its**
5 **Document Execution Practices**

6 104. LPS made deceptive statements to the public, shareholders and Servicers in an
7 effort to conceal and minimize the extent of the Company's document execution fraud.

8 105. In addition to the examples already described, LPS made statements in public
9 filings with the Securities and Exchange Commission and/or in news releases that: (1)
10 misrepresented the forgery ("surrogate" signing) scheme at DOCX as a mere "notarization error";
11 and/or (2) misrepresented that the company had internal controls and processes in place at its
12 Minnesota facility to properly execute affidavits.

13 106. As noted earlier, the forgery scheme at DOCX involved much more than a mere
14 "notarization error" or a "potential error in processes." Despite these facts, LPS represented:

- 15 a. In its 2009 10-K filed with the Securities and Exchange Commission ("SEC")
16 and published on LPS' website: "[W]e identified a business process that
17 caused an **error in the notarization** of certain documents, some of which
18 were used in foreclosure proceedings in various jurisdictions around the
19 country."²¹ (Emphasis added).
- 20 b. In an April 5, 2010 news release posted on the LPS website: "As indicated in
21 LPS' most recent Form 10-K, filed in February 2010, LPS reported that
22 during an internal review of the business processes used by its document
23 solutions subsidiary, the Company identified a business process that caused
24 an **error in the notarization** of certain documents, some of which were
25

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27
28 ²¹ Lender Processing Services, Inc., Annual Report (Form 10-K) (Feb. 23, 2010), available at <http://phx.corporate-ir.net/phoenix.zhtml?c=222167&p=IROL-secToc&TOC=aHR0cDovL2lyLmludC53ZXN0bGF3YnVzaW5lc3MuY29tL2RvY3VtZW50L3YxLzAwMDA5NTAxMjMtMTAtMDE1NTk5L3RvYy9wYWdl&ListAll=1>.

1 used in foreclosure proceedings in various jurisdictions around the
2 country.”²² (Emphasis added).

3 c. In its 2010 10-K filed with the SEC and published on LPS’ website: “We
4 have discovered, during our own internal reviews, potential issues related to
5 some of these [document execution] practices which may cause the validity
6 of certain documents used in foreclosure proceedings to be challenged.
7 However, we are not aware of any person who was wrongfully foreclosed
8 upon as a result of a **potential error in the processes** used by our
9 employees.”²³ (Emphasis added).

10 107. LPS’ deceptive description of its document execution flaws made it appear that its
11 practices were the result of a mere oversight or mistake, and not an institutional policy to
12 fraudulently sign and notarize these documents. It also created the misimpression that the
13 documented practices were isolated, rather than widespread and systematic. Furthermore, LPS’
14 description was deceptive because it inaccurately stated that the problems were limited to issues
15 involving the notarization of documents.

16 108. LPS made similar misrepresentations to AHMSI, and on information and belief,
17 also to Saxon and other Servicers: “DOCX, LLC advised AHMSI that due to a change in
18 business process relating to the execution of Assignments of Mortgage on behalf of AHMSI,
19 certain Assignments of Mortgage contained a **notarization error**.”²⁴ (Emphasis added).

20 109. In an October 4, 2010 news release published on its website, LPS also
21 misrepresented that its Minnesota operations had proper controls in place and followed industry
22 practice when it executed affidavits: “When LPS performed this service, affidavits were prepared
23 and provided by the lenders’ or servicers’ attorneys. These affidavits were then executed by LPS
24 consistent with industry practice, under corporate resolution. LPS had processes in place to

25 ///

26
27 ²² Available at <http://phx.corporate-ir.net/phoenix.zhtml?c=222167&p=irol-SECText&TEXT=aHR0cDovL2lyLmludC53ZXN0bGF3YnVzaW5lc3MuY29tL2RvY3VtZW50L3YxLzAwMDA5NTAxMjMtMTUyMDIwNDgzL3htbA%3d%3d> (last visited Dec. 11, 2011).

28 ²³ Lender Processing Services, Inc., Annual Report (Form 10-K) (Mar. 1, 2011), available at:
<http://www.lpsvcs.com/LPSCorporateInformation/NewsRoom/Pages/20100405.aspx>.

²⁴ Ex. H, May 19, 2010 Letter from LPS to AHMSI.

1 ensure the information in the affidavits was validated and that the affidavits were signed
2 properly.”²⁵

3 110. In fact, LPS knew – as its Vice President Scott Walter admitted in sworn testimony
4 – that LPS’ company policies resulted in affidavits that were fraudulently notarized and that
5 falsely represented that the LPS employee signing the affidavit had personal knowledge of the
6 facts to which they attested.²⁶

7 111. On information and belief, LPS made additional, deceptive statements about its
8 document execution practices and, on information and belief, these misrepresentations affected
9 Nevada consumers and/or foreclosures in Nevada.

10 112. The aforementioned misrepresentations are deceptive within the meaning of the
11 Nevada Deceptive Trade Practices Act because LPS misled investors and the public: (1) about
12 the nature and extent of the document problems at DOCX; and (2) that LPS put internal controls
13 and processes in place at its Minnesota facility to execute affidavits properly.

14 113. In so doing, LPS knowingly violated numerous provisions of the Nevada Deceptive
15 Trade Practices Act, including but not limited to Nev. Rev. Stat. § 598.0915(5) (“knowingly
16 make[] a false representation as to the characteristics . . . of goods or services for sale or
17 lease”); and/or § 598.0915(7) (“represents that goods or services for sale or lease are of a
18 particular standard, quality or grade”); and/or § 598.0915(9) (“[a]dvertise[] goods or services with
19 the intent not to sell or lease them as advertised”).

20 114. In addition, LPS’ misrepresentations to investors in the Company’s 2009 and 2010
21 10-Ks filed with the SEC violated Nev. Rev. Stat. § 598.092(5)(c) (“Advertises or offers an
22 opportunity for investment and . . . makes any untrue statement of a material fact or omits to
23 state a material act which is necessary to make another statement, considering the
24 circumstances under which it is made, not misleading”).

25
26
27
28 ²⁵ Available at <http://www.lpsvcs.com/LPSCorporateInformation/NewsRoom/Pages/20101004.aspx> (last visited Dec.
11, 2011).

²⁶ See Ex. G.

1 **V. LPS MISREPRESENTS ITS ROLE AND SERVICES BY UNLAWFULLY DIRECTING**
2 **THE WORK OF NETWORK ATTORNEYS**

3 115. LPS knowingly misrepresents that the services it provides are merely
4 administrative support and technological in nature, when in fact LPS controls key aspects of the
5 foreclosure process, including the direction and supervision of foreclosure counsel (Network
6 Firms).

7 116. The LPS website states that it provides “administrative support services to
8 mortgage servicers and attorneys nationwide.”²⁷ In its 2010 10-K filing, LPS states: “We offer
9 lenders, servicers and their attorneys *certain administrative and support services* in connection
10 with managing foreclosures.”²⁸ (Emphasis added).

11 117. In truth, LPS exerts significant and substantive control over the foreclosure
12 process by:

- 13 a. Implementing and enforcing unreasonable deadlines on Network Firms
14 (who risk the loss of future LPS foreclosure referrals if they do not comply);
15 b. Obstructing and/or prohibiting direct communications between Network
16 Firms and their Servicer-clients;
17 c. Insisting on contract language that improperly limits the attorneys’
18 professional judgment and/or autonomy; and
19 d. Directing and/or controlling Network Firms in connection with decisions
20 about whether, when and how to proceed with foreclosures and other legal
21 matters.

22 118. On information and belief, this conduct occurred in connection with Nevada
23 borrowers and violates the Nevada Deceptive Trade Practices Act because: (a) it materially
24 misrepresents LPS’ role and the services it provides; and (b) LPS exerted such direction and/or
25 control over the Network Firms that its conduct is tantamount to practicing law without a license.
26
27

28 ²⁷ Available at <http://www.lpsvcs.com/Products/Mortgage/Default/BankruptcyandForeclosure/Pages/default.aspx>
(last visited on Dec. 11, 2011).

²⁸ See *supra* note 23.

1 119. LPS' interactions with its Network Firms reflect the same problematic pressures,
2 incentives and assembly-line culture that caused LPS to take improper and deceptive shortcuts
3 in its document execution practices. As with its document execution practices, LPS' supervision
4 of foreclosure attorneys undermines the integrity of the foreclosure process in Nevada,
5 sacrificing accuracy and honesty for speed.

6
7 **A. LPS' Foreclosure Timelines Undermine the Integrity and Accuracy of Work by
8 Network Firms**

9 120. LPS imposes aggressive timelines that undercut the Network Firms' ability to
10 exercise professional judgment and ensure that foreclosure-related filings are accurate and
11 legally valid, which in some cases, has caused Network Firms and Servicers to pursue
12 foreclosures where borrowers have not defaulted or where Servicers lacked the lawful standing
13 or authority to foreclose.

14 121. On information and belief, LPS did not follow industry standards for foreclosure
15 timelines. Rather, LPS imposed its own, arbitrary and much more aggressive timelines, for the
16 purpose of maximizing profits and expanding its clientele. This press for speed helped turn
17 many foreclosure firms into mills that churned foreclosures without regard to the accuracy or
18 legality of their actions.

19 122. Former Fidelity Vice President, Lynn McNamee, applauded LPS' success at
20 "compress[ing] timeframes in every stage of both Bankruptcy and Foreclosure actions" to a
21 greater degree than required under the Government Sponsored Enterprises ("GSE") timelines
22 that are the widely accepted industry standard. In an internal newsletter, using the example of a
23 "first legal," she explained how LPS pushes firms to complete foreclosure actions far quicker
24 than the industry standard:

25 Generally, the industry looks at completing a first legal within 30 days. If
26 we have a state where first legals can be completed in an average of 3
27 days, we don't want to wait until the 30th day to see if first legal is
28 complete. We prefer to look at that file on day 4, checking with the firm to
ensure they have what they need; thus, the invention of "sludge." It has
done wonders for the compression of timelines.²⁹

²⁹ Ex. I.

1 123. LPS also developed a Network Firm grading system, called the Attorney
2 Performance Report (“APR”), to enforce its aggressive timelines. The APR measures the
3 volume and speed of the foreclosures handled by each Network Firm.

4 124. Notably, the APR *does not contain a metric for measuring the quality or accuracy*
5 *of the Network Firms’ work product. Scores are based solely on Firms’ speed and volume.*

6 125. LPS regularly provides the Servicers and Network Firms with copies of the APRs,
7 which compare the performance of Network Firms to one another.

8 126. The APRs assign one of three grades – Green, Yellow or Red. Generally, a
9 “Green” score means the Network Firm has complied with LPS-imposed timelines; “Yellow”
10 means the Firm needs to work faster; and “Red” is a failing grade. Red means that the Network
11 Firm is in danger of losing access to future referrals because its work is too slow.

12 127. On information and belief, LPS removes firms that stay in the “Red” zone from the
13 Network. As such, Network Firms face enormous pressure to do whatever is necessary to avoid
14 being kicked out of the Network and lose access to referrals from the nation’s largest provider of
15 default services and its Servicer clientele.

16 128. LPS employs a team of “Attorney Management” personnel who are responsible for
17 enforcing compliance with LPS-imposed foreclosure timelines. Confidential Witness #3, a former
18 supervisor in the Attorney Management team, was instructed by LPS to pressure Network Firms
19 to “drive down” their performance time.

20 129. Confidential Witness #3 remembers Network Firms complaining “all the time” that
21 the LPS timelines were unreasonable: “The [Network] attorneys were very frustrated with the
22 timelines because attorneys know what they are doing and what is best . . . and for [LPS] to say
23 do it faster” didn’t make any sense to the attorneys.

24 130. LPS also aggressively pushed its own employees to meet unreasonable daily
25 production quotas, without regard for the accuracy of the work. Confidential Witness #5, a
26 former foreclosure associate who worked with Network Firms, reported that LPS required him to
27 resolve any issues raised by Network Firms for a minimum of 30 foreclosure files every hour, or
28 one file every two minutes. He voiced concerns to his supervisors that these time limits

1 compromised the quality of his work, but was simply told “that’s the way it works.” Confidential
2 Witness #5 ultimately left LPS because, as he put it: “I prefer to be unemployed than to
3 compromise my professional integrity.”

4 131. Several other former LPS employees who worked with Network Firms, including
5 Confidential Witness #6, Confidential Witness #7, and Confidential Witness #8, received
6 insufficient training and reported that LPS directed them to cut corners and ignore or conceal
7 errors.

8 132. As a result, and separate from the thousands of documents that were forged or
9 fraudulently executed, the Nevada Attorney General’s investigation also uncovered systemic
10 errors and/or misconduct at LPS, including: [REDACTED]

11 [REDACTED] failing to implement
12 a foreclosure hold while a loan modification request was pending with the Servicer;
13 [REDACTED]; and falsifying foreclosure reporting dates to
14 ensure that Servicers were not charged penalty fees by investors.

15 133. For example, Confidential Witness #7 stated that she was instructed to manipulate
16 timelines in borrowers’ loan files on Desktop so that they would appear to meet investor
17 guidelines. In other words, she changed the dates at which various events occurred to make it
18 look like they had happened within the time frames required by investors.

19 134. LPS’ efforts to shorten foreclosure timelines were successful. For example, over a
20 three-year period from May 2004 to April 2007, LPS reduced the average time from the date a
21 foreclosure file was received to sale of the home by 14.4 days. Over the same three-year
22 period, this increase in speed, in part, allowed LPS and its Servicer clients to increase the
23 volume of foreclosures 672%.

24 135. By controlling more than fifty percent (50%) of the nation’s foreclosures *and* by
25 arbitrarily inventing and enforcing deadlines that were more aggressive than the industry
26 standard, LPS created a foreclosure process that willfully sacrifices accuracy and integrity, and
27 one that precludes the meaningful exercise of professional judgment by the Network Firms.

1 **B. Membership in the LPS Network Requires Law Firms to Sacrifice their**
2 **Professional Judgment and Autonomy**

3 136. To join the LPS Network and gain access to hundreds of millions of dollars in
4 annual revenue from foreclosure-related work,³⁰ law firms and trustee companies must purchase
5 a license for the LPS Desktop technology and enter into a Network Agreement with LPS. On
6 information and belief, law firms and trustee companies have little or no ability to negotiate the
7 terms of these contracts.

8 137. LPS undermines the attorney-client relationship between the Servicer-client and
9 the Servicer's foreclosure counsel (the Network Firm) in several ways. The first is through
10 contract language authorizing LPS to act in the Servicer's place in managing important aspects
11 of Firms' relationship and performance. Exhibit J is a publicly-disclosed Network Agreement that
12 contains the following provisions:³¹

- 13 a. The Client. The preamble states that the Network Firm represents *not only*
14 the Servicer, but also "wishes to provide to [LPS] and its Client various legal
15 services." (Emphasis added). A later section, entitled "Representation of
16 the Client," states that "[LPS] servicer/investor clients (the "Client") shall be
17 considered *mutual clients of both [LPS] and the Firm*" and that "[LPS] shall
18 be considered the agent of each client." (Emphasis added).
- 19 b. Fees. Network Firms must agree to the flat fee schedule *set by LPS* (not
20 the Servicer) in "Exhibit B" to the Network Agreement.
- 21 c. Referral Fees. As explained earlier, the Network Agreement also requires
22 Network Firms to pay LPS a kickback (this is the "referral fee" paid to LPS
23 that is labeled an "admin fee" in the contract). "Exhibit C" to the Network
24 Agreement states that LPS receives 100% of this kickback even if the
25 foreclosure is terminated or transferred, presumably eliminating or reducing
26 the need for LPS' administrative services.

27 ³⁰ See Gretchen Morgenson & Jonathan Glater, *Foreclosure Machine Thrives on Woes*, N.Y. Times, March 30,
28 2008.

³¹ Ex. J relates to a Network Agreement for a firm that worked on Texas foreclosures; Ex. K (filed under seal) is a
Network Agreement for a Firm operating in Nevada. The Network Agreements, including those entered into with
Network Firms handling Nevada loans, contain the same or substantially similar language as contained in Exhibit J.

1 d. Services. Some Network Agreements, including this one, also expressly
2 grant LPS the authority to exert direction and/or control over the attorneys.
3 “Exhibit A” to the Network Agreement states that LPS “*shall provide direction*
4 *to the Firm for institution or reinstatement of a foreclosure action after the*
5 *appropriate bankruptcy issues have been resolved to permit same, when*
6 *applicable.*” (Emphasis added).

7 138. LPS’ contracts with Servicers also provide LPS with control and authority to direct
8 Network Attorneys. For example, Section 2.10 of the Saxon Default Services Agreement
9 provides that “*Fidelity [LPS’ predecessor] shall manage Local Counsel*” and that “*Fidelity shall*
10 *evaluate the performance of its employees, Local Counsel, and the Venders, and take*
11 *appropriate action in connection therewith.*”³² (Emphasis added). On information and belief,
12 contracts between LPS and other Servicers that operate in Nevada also grant LPS similar
13 authority to control or direct Network Attorneys.

14 139. On information and belief, Network Firms communicate their substantive questions
15 about the foreclosure matters to LPS, not to their Servicer-client; LPS – not the Servicer – makes
16 key decisions about whether foreclosures will proceed and whether a Network Firm’s request for
17 a deadline extension will be granted.

18 140. The Attorney General’s review of Nevada loan files maintained on LPS Desktop
19 revealed [REDACTED]

20 [REDACTED]

21 141. LPS employee “notes” maintained in Desktop provide additional evidence of LPS
22 non-attorneys exerting control over Network Firms. [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

26 [REDACTED]

27 *///*

28

³² Ex. L.

1 142. LPS non-attorneys also train Network Attorneys on how to prepare foreclosure and
2 certain bankruptcy pleadings, such as motions for relief from stay, which allow the Servicer to
3 foreclose during bankruptcy.

4 143. Confidential Witness #6 states that she instructed Network Firms on how to
5 prepare pleadings, proofs of claim, motions for relief from stay, and notices of default.³³ In
6 addition, Confidential Witness #6 reviewed and evaluated attorney work product on proofs of
7 claim, motions for relief, assignments, and other legal documents. On information and belief,
8 Confidential Witness #6 and other LPS employees in similar positions performed this function in
9 connection with Nevada legal proceedings.

10 144. Based on similar evidence, the U.S. Trustee in *In re Taylor* concluded that LPS
11 was “improperly directing legal action.” 407 B.R. 618, 632 (Bankr. E.D. PA. 2009).³⁴ According
12 to the U.S. Trustee, the language in LPS’ contracts with Network Attorneys and Servicers, in
13 combination with evidence gleaned from LPS employee “notes” in Desktop, demonstrates that
14 LPS oversees and directs the bankruptcy workout process. *Id.*

15 145. In sworn testimony in other lawsuits, senior LPS officials have described the
16 Company’s extensive involvement in legal decision-making. Examples of LPS directing or
17 controlling the work of lawyers include the following:

- 18 a. LPS reviews post-bankruptcy petition loan payments and determines the
19 status of the loan (whether it is current or delinquent).
- 20 b. For some Servicers, LPS maintains an on-site employee who reviews post-
21 bankruptcy delinquency reports prepared on the Servicer’s system and
22 determines whether to enter a request on LPS’ system for a motion for relief
23 referral.³⁵ On information and belief, this decision—whether to refer a loan
24 for a motion for relief—resides exclusively with LPS.

25
26
27 ³³ Confidential Witness #6 worked as a Foreclosure Associate and in several other positions with LPS over a seven-
year time period.

28 ³⁴ In *Taylor*, LPS’ role came under scrutiny from the court and the U.S. Trustee after the Network Attorney reported
that he had no direct access to his Servicer-client, and therefore had been unable to obtain a loan history to support
the Servicer’s claim against the debtors. *Id.* at 623.

³⁵ See Ex. M, LPS map showing LPS personnel on-site with servicers.

1 c. LPS non-attorneys review motions for relief from stay and default affidavits
2 prepared by Network Firms.

3 d. If an opposition to a motion for relief from stay is filed, LPS non-attorneys
4 review the legal brief and resolve any issues pertaining to the loan or the
5 motion for relief.

6 146. Even if some Servicers provide LPS with global instructions and delegate only
7 certain decisions to LPS, foreclosures often require individualized decisions that cannot properly
8 or reliably be made by LPS or managed through this one-size-fits-all approach.

9 147. On information and belief, acceptance of LPS' demand for kickbacks (referral fees
10 deceptively labeled as "admin fees"), its unreasonable timelines, and its control over legal
11 decisions and work product are prerequisites for membership in the LPS Attorney Network and
12 for access to the massive volume of foreclosure, bankruptcy and other default services work that
13 LPS controls.

14 **C. LPS Obstructs Communication between Network Firms and their Servicer**
15 **Clients**

16 148. LPS also controls and directs the work of Network Firms by limiting direct
17 communication between the Firms and their Servicer clients.

18 149. Although Network Agreements state that the Network Firm may contact the
19 Servicer, on information and belief, in practice LPS protocol requires Network Firms to
20 communicate only or primarily with LPS – not with the Firm's Servicer-client – about the issues
21 or documents that are required for a foreclosure or bankruptcy matter. Network Firms must
22 utilize the Desktop application for written communications.

23 150. LPS trains its employees to discourage Network Firms from communicating directly
24 with their Servicer-clients:

25
26 ///

27 ///

28 ///

1 a. Confidential Witness #8, who worked in the Attorney Management
2 department in Jacksonville, Florida, explained: “LPS told us to tell the
3 attorneys that they are not allowed to speak directly with the[ir Servicer]
4 client ... So they don’t have any direct contact with the [Servicer]” that hired
5 them as foreclosure counsel.

6
7 b. Confidential Witness #9, a former LPS employee in Jacksonville, Florida,
8 stated that the company instructed her to “never give out contact information
9 to the [Network] attorney’s office about the lender, and not to give out lender
10 information to the attorney.” Confidential Witness #9’s supervisors told her
11 that “LPS was the ‘Servicer’” in providing foreclosure management services,
12 and it was “LPS’ job” to provide that function.

13
14 c. Confidential Witness #10, also a former LPS employee in Jacksonville,
15 Florida, stated that “Fidelity’s (LPS’ predecessor) entire reason [for existing]
16 was so that attorneys don’t have contact with Servicers.”

17 151. Courts have expressed serious concern about the way LPS undermines the
18 effective representation of counsel. The court in *Taylor* harshly criticized the Network Firm’s
19 inability to communicate directly with its Servicer-client, finding that LPS’ business model and
20 technology precludes attorneys from fulfilling their ethical responsibilities to consult their clients.

21 152. LPS misrepresents the true nature of the services it provides, as well as its role in
22 the bankruptcy and foreclosure processes, by advertising itself as a provider of technology and
23 “administrative” or “support” services, when in actuality LPS stands squarely in the shoes of the
24 Servicer-client (and sometimes in the shoes of the foreclosure attorney) and controls and/or
25 directs the work of Network Firms to such a degree that its conduct is tantamount to practicing
26 law without a license.

27 153. In so doing, LPS knowingly violates numerous provisions of the Nevada Deceptive
28 Trade Practices Act, including but not limited to:

- 1 a. Nev. Rev. Stat. § 598.0915(1) (“knowingly passes off goods or services for
2 sale or lease as those of another person”); and/or
- 3 b. Nev. Rev. Stat. § 598.0915(2) (“knowingly makes a false representation as
4 to the source, sponsorship approval or certification of goods or services for
5 sale or lease”); and/or
- 6 c. Nev. Rev. Stat. § 598.0915(3) (“knowingly makes a false representation as
7 to affiliation, connection, association with or certification by another person”);
8 and/or
- 9 d. Nev. Rev. Stat. § 598.0915(9) (“[a]dvertises goods or services with the intent
10 not to sell or lease them as advertised”); and/or
- 11 e. Nev. Rev. Stat. § 598.0915(15) (“knowingly makes any other false
12 representation in a transaction”); and/or
- 13 f. Nev. Rev. State. § 598.0923(1) (“knowingly [c]onducts the business or
14 occupation without all required state, county or city licenses).

15 **VI. LPS MISREPRESENTS THE TRUE NATURE OF ITS FEES**

16 154. Though undisclosed to courts and consumers (and possibly Servicers), LPS
17 Network Agreements contain express provisions that guarantee payment of a kickback to LPS
18 for every foreclosure or other default-related matter that LPS refers to a Network Firm.³⁶ These
19 fees are deceptive because the cost of the kickback is misrepresented on invoices to Servicers
20 (and passed on to consumers) and/or submitted to courts as “attorney’s fees” and/or “trustee
21 fees.”

22 155. LPS conceals these deceptive fees by referring to them as “admin fees” in the
23 Network Agreements, as indicated below in the excerpt from the Network Agreement attached
24 as Ex. J:

25
26
27 ³⁶ Fannie Mae and Freddie Mac issued new servicing guidelines (in late 2010 and early 2011, respectively) that
28 require Servicers to pay for any so-called “technology” or “administrative” fees charged by LPS or other third-party
vendors. Thus, LPS no longer can recover its referral (kickback) fee directly from Network Firms where Fannie Mae
or Freddie Mac is the investor (a/k/a “Government Sponsored Entity loans” or “GSE loans”). On information and
belief, however, LPS continues to seek and to recover its referral fees directly from Network Firms where a non-GSE
is the investor.

1 161. On information and belief, LPS' fees are not permitted by borrowers' mortgage
2 notes and could not be collected if they had not been disguised as "attorney's fees" or "trustee's
3 fees."

4 162. LPS' deceptive fees violate several provisions of the Nevada Deceptive Trade
5 Practices Act, including but not limited to Nev. Rev. Stat. § 598.0915(1) ("knowingly passes off
6 goods or services for sale or lease as those of another person"); and/or § 598.0915(3)
7 ("knowingly makes a false representation as to affiliation, connection, association with or
8 certification by another person"); and/or § 598.0915(9) ("[a]dvertise[] goods or services with the
9 intent not to sell or lease them as advertised"); and/or §598.0915(15) ("knowingly make any
10 other false representation in a transaction"); and/or § 598.092(8) ("knowingly misrepresent the
11 legal rights, obligations or remedies of a party to a transaction").

12
13 **COUNT I**

14 **VIOLATIONS OF THE NEVADA DECEPTIVE TRADE PRACTICES ACT**
15 **NEV. REV. STAT. §§ 598, ET SEQ.**

16 163. The State re-alleges and incorporates all preceding paragraphs in their entirety.

17 164. LPS engaged in deceptive acts or practices by preparing and executing
18 assignments and/or other mortgage documents for Nevada properties that were filed with county
19 recorder's offices in Nevada and/or in courts in Nevada and/or provided to Servicers and/or
20 provided to consumers that contained forged signatures. The LPS employees who signed these
21 documents on behalf of the Servicer had no authority to do so.

22 165. LPS engaged in deceptive acts or practices by executing assignments, affidavits,
23 substitutions of trustee and other mortgage documents in which LPS employees misrepresented
24 that they had signed the document in the presence of a notary and/or witness and/or under oath
25 that were filed with county recorders' offices in Nevada or in courts in Nevada and/or provided to
26 Servicers and/or provided to consumers in Nevada.

27 166. LPS engaged in deceptive acts or practices by executing affidavits and
28 declarations in which LPS employees misrepresented that they had personal knowledge of the

1 facts to which they attested that were filed in courts in Nevada and/or sent to Servicers and/or
2 provided to consumers in Nevada.

3 167. LPS engaged in deceptive acts or practices by executing assignments and/or other
4 mortgage documents on behalf of defunct entities that were recorded in county recorders' offices
5 and/or provided to Servicers and/or provided to consumers in Nevada.

6 168. LPS engaged in deceptive acts or practices by misrepresenting that the forgeries at
7 DOCX involved mere errors in notarization or processes.

8 169. LPS engaged in deceptive acts or practices by misrepresenting that it had internal
9 controls and processes in place to ensure that foreclosure-related documents it executed were
10 accurate, reliable and legally valid.

11 170. LPS engaged in deceptive acts or practices by unlawfully controlling and/or
12 directing the work of Network Firms without a license to practice law in Nevada.

13 171. LPS engaged in deceptive acts or practices by misrepresenting that it just provided
14 technology and/or administrative services in default servicing and foreclosures when it in fact
15 LPS was managing, controlling and/or directing the work of Network Firms.

16 172. LPS engaged in deceptive practices by reviewing and/or approving and/or
17 transmitting invoices and/or fee and costs requests from Network Firms to Servicers and/or
18 bankruptcy courts and/or consumers that ultimately are assessed to the consumer, even though
19 LPS knew that these invoices misrepresented that the fees and costs were only for the work of
20 Network Firms when they also included the referral fee paid by Network Firms to LPS.

21 173. LPS' deceptive conduct breached its obligations under Nev. Rev. Stat. §§ 598, *et*
22 *seq.*, including, but not limited to:

23 a. Nev. Rev. Stat. § 598.0915(1), which provides that it is a deceptive practice
24 for a person to “[k]nowingly pass[] off goods or services for sale or lease as
25 those of another person”;

26 b. Nev. Rev. State. § 598.0915(2), which provides that it is a deceptive practice
27 for a person to “[k]nowingly make[] a false representation as to the source,
28 sponsorship approval or certification of goods or services for sale or lease”;

- 1 c. Nev. Rev. Stat. § 598.0915(3), which provides that it is a deceptive practice
2 for a person to “[k]nowingly make[] a false representation as to affiliation,
3 connection, association with or certification by another person”;
- 4 d. Nev. Rev. Stat. § 598.0915(5), which provides that it is a deceptive practice
5 for a person to “[k]nowingly make[] a false representation as to the
6 characteristics, ingredients, uses, benefits, alterations or quantities of goods
7 or services for sale or lease”;
- 8 e. Nev. Rev. Stat. § 598.0915(7), which provides that it is a deceptive practice
9 to “[r]epresent[] that goods or services for sale or lease are of a particular
10 standard, quality or grade, or that such goods are of a particular style or
11 model, if he or she knows or should know that they are of another standard,
12 quality, grade, style or model”;
- 13 f. Nev. Rev. Stat. § 598.0915(9), which provides that it is a deceptive practice
14 for a person to “[a]dvertise[] goods or services with intent not to sell or lease
15 them as advertised”;
- 16 g. Nev. Rev. Stat. § 598.0915(15), which provides that it is a deceptive trade
17 practice for a person to “[k]nowingly make[] any other false representation in
18 a transaction”;
- 19 h. Nev. Rev. Stat. § 598.092(8), which provides that it is a deceptive trade
20 practice for a person to “[k]nowingly misrepresent[] the legal rights,
21 obligations or remedies of a party to a transaction”;
- 22 i. Nev. Rev. Stat. § 598.0923(1), which provides that it is a deceptive trade
23 practice to “[c]onduct[] the business or occupation without all required state,
24 county or city licenses”;

25 ///

26 ///

27 ///

28 ///

- 1 j. Nev. Rev. Stat. § 598.092(5)(c), which provides that it is a deceptive trade
2 practice to “[a]dvertise[] or offer[] an opportunity for investment and . . .
3 [m]ake[] any untrue statement of a material fact or omit[] to state a material
4 fact which is necessary to make another statement, considering the
5 circumstances under which it is made, not misleading”;
- 6 k. Nev. Rev. Stat. § 598.0973, allowing a court to impose heightened penalties
7 for “[e]ngaging in a deceptive trade practice directed toward [an] elderly
8 person or person with disability”; and
- 9 l. Nev. Rev. Stat. § 598.0953(1), making evidence that someone has engaged
10 in a deceptive practice “prima facie evidence of intent to injure competitors
11 and to destroy or substantially lessen competition.”

12 174. On information and belief, affected consumers included consumers over the age of
13 60 or persons with disabilities.

14 175. In all matters alleged herein, the Defendants acted in the course of their business
15 or occupation within the meaning of Nev. Rev. Stat. §§ 598.0903 to 598.0999.

16 176. In all requisite matters alleged herein, the Defendants acted knowingly within the
17 meaning of Nev. Rev. Stat. §§ 598.0903 to 598.0999.

18 177. In all matters alleged herein, the Defendants acted willfully in violation of Nev. Rev.
19 Stat. §§ 598, *et seq.*, as required by Nev. Rev. Stat. § 598.0999(2).

20
21 **PRAYER FOR RELIEF**

22 WHEREFORE, the State respectfully requests that the Court:

23 1. Enter an Order declaring that Defendants have violated, and continue to violate,
24 the Nevada Deceptive Trade Practices Act, Nev. Rev. Stat. §§ 598, *et seq.*;

25 2. Enter an Order prohibiting Defendants from continuing the course of conduct
26 alleged herein as violating the Nevada Deceptive Trade Practices Act, Nev. Rev. Stat. §§ 598, *et*
27 *seq.*;



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FOR IMMEDIATE RELEASE

DATE: December 19, 2011

Contact: Jennifer López

702-486-3782

ATTORNEY GENERAL ANNOUNCES INDICTMENT IN PARADISE SPA HOME OWNERS ASSOCIATION EMBEZZLEMENT SCHEME

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today that on Dec. 16 a Clark County Grand Jury returned a six count indictment against Massoud Aaron Yashouafar, 50, of Beverly Hills, Calif., for his actions in allegedly defrauding the Paradise Spa Home Owners Association of over \$1 million dollars.

“This type of crime is particularly jarring when you realize that older victims, many of whom were living on fixed incomes in Paradise Spa, were forced to find and pay for alternative living quarters when they were still obligated to make mortgage payments on their burned condo units, while waiting for repairs that would never be made,” said Masto.

Yashouafar, who served as the treasurer of the Paradise Spa Board of Directors, received insurance checks for two fires which occurred on Sept. 18, 2009 and Jan. 15, 2010.

In his capacity as treasurer of the Home Owners Association he was provided two checks, one over \$400,000 and the other check over \$430,000 issued by the Civil Service Employees Insurance Group, for property damage to two separate buildings caused by fires. The insurance checks were issued to repair the damaged buildings. Rather than repair the buildings, Yashouafar deposited the checks in an out of state bank account on which he was the sole signator. As a result, numerous condo owners, many of them senior citizens, were forced to find other living arrangements, while still making mortgage payments on their damaged, uninhabitable units. In some cases, Yashouafar rented units he owned to the displaced condo owners, resulting in them paying him rent while they waited for repairs that were never done because of the alleged theft.

Bank records show that in September 2009, Yashouafar, in his capacity as treasurer, had wired over a quarter of a million dollars out of a Paradise Spa operating account.

He subsequently deposited that money into an out of state account and disbursed the money into various personal projects.

Yashouafar was indicted on three counts of theft of property by false pretenses (class B felony) and three counts of embezzlement (class B felony). His initial appearance is set for January 4, 2012 before District Court Judge Carolyn Ellsworth.

Anyone who has information regarding this case is asked to contact the Attorney General's Office Bureau of Consumer Protection Hotline at 702-486-3132.



YASHOUAFAR, MASSOUD

###



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FOR IMMEDIATE RELEASE
DATE: December 20, 2011

Contact: Jennifer López
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**ATTORNEY GENERAL ANNOUNCES LAS VEGAS RESIDENT
SENTENCED IN CONNECTION WITH ARSON INSURANCE FRAUD**
*Defendant Ordered to Pay Over \$6,000 in Restitution, Sentenced to 2 ½ Years in State
Prison*

Carson City, NV – Nevada Attorney General Catherine Cortez Masto announced that Randall Craig Shook, 58, of Henderson, Nev., was sentenced in connection with a scheme to defraud Century National Insurance Company, the issuer covering his home policy, after he set fire to his vacant mobile home in Boulder City, Nev. and staged the scene to look like a vagrant was responsible.

“Perpetrators who commit arson as part of a scheme to defraud their insurers not only commit a financial crime against every honest consumer of insurance products, but against every neighbor, bystander, and first responder endangered by this reckless act,” said Attorney General Catherine Cortez Masto.

On May 20, 2010 Woody Woodward, the manager of the Gingerwood Mobile Home Park in Boulder City, Nev., was checking up on properties when he smelled smoke and noticed the door to Shook’s home was open. He entered to find heavy smoke coming from the rear bedroom. The Boulder City Fire Department responded and extinguished the blaze before it spread to other structures.

Investigators discovered discarded food wrappers, clothes and a sleeping bag, making it appear that someone had been camping inside the home, but concluded that the fire had been intentionally set in four separate locations. Further investigation revealed that Shook had turned off the power to the home in April 2010 and had been offering the residence for sale.

As a result of the scheme, Shook defrauded his insurance company of \$3,296 and triggered costly investigations by the Boulder City Fire and Police Departments.

Shook ultimately confessed to the scheme, attributing his conduct to mental illness, but was not arrested at that time. He sent a letter to a detective stating, "I have had enough problems in my life! I give up. You will read in the news about me." The detective later learned that on May 9, 2010, Shook had driven head-on into a semi truck on U.S. 95 between Quartzite and Yuma, Arizona landing him in intensive care.

After recovering from his injuries, Shook pled guilty to one count of insurance fraud, a category D felony, in connection with this scheme to defraud his insurance company.

In granting him probation, the court took into consideration the fact that this was his first criminal conviction, but ordered him to undergo mental health counseling as a condition of his probation and to pay \$6,296 in full restitution, including reimbursement to the Office of the Attorney General, as well as the fire and police departments, for their costs incurred in connection with the investigation and prosecution of this case.

Judge Kathleen Delaney of Las Vegas District Court, Department 28, sentenced Shook on Nov. 16.

Attorney General Masto's Insurance Fraud Unit works to protect consumers and the integrity of the insurance system by investigating and prosecuting those who commit fraud against all types of insurers. The prosecution of insurance fraud helps prevent the increase in premiums and taxes that are the result of fraudulent insurance claims.

The case was prosecuted by Patrick Ferguson, Senior Deputy Attorney General.



SHOOK, RANDALL C



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FOR IMMEDIATE RELEASE
DATE: December 21, 2011

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ATTORNEY GENERAL ANNOUNCES MARYLAND RESIDENT SENTENCED IN LAS VEGAS IN CONNECTION WITH WORKERS' COMPENSATION FRAUD

*Defendant Ordered to Over \$20,000 in Restitution, \$4,000 in Extradition Costs,
Sentenced to 2 ½ Years in State Prison*

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced that Tamara Thompson-Johnson 45, of Suitland, Md., was sentenced in connection with a scheme to defraud her employer's workers' compensation insurer, concocted while she was attending a professional conference at the Las Vegas Hilton.

"Workers' compensation fraud is insidious. It quietly drives up the cost of coverage, a bill that nearly every employer in every sector will have to foot," said Attorney General Masto. "My office will continue to aggressively prosecute these cases."

On Oct. 15, 2006 surveillance video clearly showed Thompson-Johnson talking on her cell phone as a large vase, dislodged by an intoxicated patron, narrowly missed striking her as it fell from its pedestal. Without even interrupting her telephone call, Thompson-Johnson was seen assisting other bystanders in clearing up the debris from the floor before leaving the scene. Hours later, after refusing medical treatment at the scene, Thompson-Johnson reported to security that she had been struck by the falling vase and checked herself into a local hospital.

Over the next few months, Thompson-Johnson hired a lawyer and pursued a claim for compensation from the Las Vegas Hilton. But once the surveillance video came to light, her claim was denied and her lawyer withdrew from her representation.

Undeterred Thompson-Johnson then filed a claim with Travelers Insurance, her employer's workers' compensation carrier, claiming the falling vase had struck her on the back of her head, neck and back, leaving her disabled. Travelers paid over \$20,000 on her fraudulent claim.

Thompson-Johnson, who was twice extradited from Maryland as a fugitive when she failed to appear for her court hearings in Las Vegas, finally pled guilty to one felony count of making false statements or representations to obtain benefits and spent almost five months in custody before being granted probation. As part of her sentence, she was ordered to pay \$20,435 in full restitution to the defrauded insurance company, \$4,005 in extradition costs, reimburse the State's costs incurred in connection with the investigation and prosecution of this case, and to disclose her conviction to employers and insurers.

Clark County District Court Judge Douglas Herndon sentenced Thompson-Johnson on Nov. 10.

The case was prosecuted by Patrick Ferguson, Senior Deputy Attorney General.

If you suspect Worker's Compensation Fraud, contact the Attorney General's Workers' Compensation Fraud Unit Hotline: 1-800-266-8688.



THOMPSON JOHNSON, TAMARA L

###

ORIGINAL

1 JOCP

FILED

Nov 28 3 09 PM '11

DISTRICT COURT
CLARK COUNTY, NEVADA
Anna D. Quinn
CLERK OF THE COURT

8 THE STATE OF NEVADA,)
9 Plaintiff,)
10 vs.)
11 TAMARA L. THOMPSON-JOHNSON,)
12 #2738487,)
13 Defendant.)

Case No. C-11-269624-1

Dept. No. III

C-10-269624-1
JOC
Judgment of Conviction
1702663



JUDGMENT OF CONVICTION - PLEA

15 WHEREAS, on the 6th day of September, 2011, defendant TAMARA L. THOMPSON-
16 JOHNSON appeared before the Court, represented by counsel, Deputy Public Defender Mark D.
17 Cichoski, Esq., and entered a plea of guilty to MAKING FALSE STATEMENTS OR
18 REPRESENTATIONS TO OBTAIN BENEFITS, a category D felony, committed on or about
19 November 10, 2006, through December 9, 2010, in violation of NRS 616D.300(2), as charged in
20 Count One of the Indictment; and

21 WHEREAS, on the 10th day of November, 2011, the defendant appeared before the
22 court for sentencing, represented by counsel, Deputy Public Defender Robert E. O'Brien, Esq.,

23 THE ABOVE-ENTITLED COURT DID ADJUDGE THE DEFENDANT GUILTY thereof by
24 reason of her plea and, in addition to the TWENTY-FIVE DOLLAR (\$25.00) administrative
25 assessment, ONE HUNDRED FIFTY DOLLAR (\$150.00) DNA analysis fee including testing to
26 determine genetic markers, TWO HUNDRED FIFTY DOLLAR (\$250.00) Indigent Defense Civil
27 Assessment Fee, restitution in the amount of TWENTY THOUSAND FOUR HUNDRED
28 THIRTY-FIVE DOLLARS AND THIRTY-ONE CENTS (\$20,435.31) to Travelers Indemnity

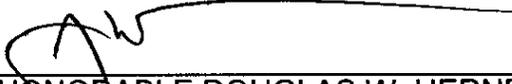
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1 Company of Connecticut, and reimbursement to the Office of the Attorney General in the
2 amount of ONE THOUSAND DOLLARS (\$1,000.00) for investigation costs and FOUR
3 THOUSAND FOUR DOLLARS AND SEVENTY-FIVE CENTS (\$4,004.75) for extradition costs,
4 sentenced the defendant to a minimum of TWELVE (12) MONTHS and a maximum of THIRTY
5 (30) MONTHS imprisonment in state prison, with ONE HUNDRED FORTY-EIGHT (148) DAYS
6 credit for time served, execution of said sentence suspended and probation granted for an
7 indeterminate period of not to exceed FIVE (5) YEARS, with the following special conditions:

- 8 1. Complete genetic marker testing and pay the \$150 fee to the Clark County Clerk,
9 as well as the \$25 administrative assessment and \$250 Indigent Defense Civil Assessment Fee;
- 10 2. Comply with any curfew imposed by the Division of Parole and Probation;
- 11 3. Complete 16 hours of community service work per month unless employed full-
12 time;
- 13 4. Pay the \$20,435.31 restitution during the term of probation in regular monthly
14 payments;
- 15 5. Pay the \$4,004.75 extradition costs during the term of probation in regular monthly
16 payments;
- 17 6. Pay the \$1,000.00 investigation costs during the term of probation in regular
18 monthly payments;
- 19 7. Sign civil confessions of judgment for the amounts owed in conditions 4, 5 and 6
20 above;
- 21 8. Immediately disclose this conviction to all insurers with whom she has a claim
22 pending or to whom she makes a claim (with the exception of claims made against a policy of
23 group health insurance) and, upon demand by the State, provide written evidence of said
24 disclosure; and
- 25 9. Notify all current and future employers of this conviction.

26 DATED this 21 day of November, 2011, in the County of Clark, State of Nevada.

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HONORABLE DOUGLAS W. HERNDON
District Court Judge 

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Submitted by:

CATHERINE CORTEZ MASTO
Attorney General

By: 

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FOR IMMEDIATE RELEASE

DATE: December 22, 2011

Contact: Jennifer Lopez

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ATTORNEY GENERAL WARNS NEVADANS OF HOLIDAY SCAMS

Tips for Consumers to Prevent Identify Theft, Charitable Donation Scams and SMishing Scams

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto is warning Nevadans who may be participating in last minute holiday shopping to be aware of identity theft, charitable donation scams, and text message scams.

“In addition to family fun and shopping outings with loved ones, it is also unfortunately the season for scams,” Attorney General Masto said. “Criminals will take advantage of those with generous hearts and good will this holiday season. Nevadans should be cautious of fraud this time of year and make sure their purchases are made through legitimate businesses and that donations help legitimate organizations.”

Criminals are becoming even more sophisticated by sending text messages, called SMiShing, a term that combines “SMS” and “phishing”. Fraudsters send a text, supposedly from the recipient's bank, informing them that their debit card has been locked. They are asked to reply to the text message and are eventually asked to give out their debit card number and in some cases, even a social security number. The text is a scam and any information given to the fraudsters will be used to clean out the victim's bank account. Do not respond to any such text message. Call your bank using the numbers on the back of your debit card if you have any questions.

Tips to avoid identity theft and fraud:

- Thoroughly review all financial statements for any unusual activity. Immediately
- contact the company if an item looks suspicious.
- Shred or destroy credit card statements, bills, insurance papers or bank
- statements before throwing them out.
- When making a credit card purchase, ask for the carbons if the retailer is not
- using carbonless forms.
- Carry only one or two credit cards in your wallet.

- Do not carry your social security card in your wallet.
- Be wary of anyone calling to “confirm” personal or financial information. Often, these are criminals trying to obtain those facts under the guise of “confirmation”.
- Share your social security number only when absolutely necessary or when required by law.
- When creating passwords and PINS, do not use anything that could be discovered easily by thieves.
- Memorize all your passwords and PINS.
- Keep a list or photocopy of all your credit cards, so you can quickly contact your creditors in case your cards are lost or stolen. Do the same with bank accounts.
- Never toss ATM and credit card receipts in a public trash container.
- Watch the mail when you are expecting a new credit card. Immediately contact the issuer if the credit card does not arrive.
- Avoid paying by credit card if you think the business does not use adequate safeguards to protect your personal information.
- Be careful before you use a credit card or supply personal information online.

Tips to protect the public from charitable donation scams:

- Contact an independent organization like the Better Business Bureau (BBB) to determine if a charity has a good reputation. You can also check www.givewell.org and www.charitynavigator.org.
- Never give a charitable contribution in response to a telemarketing call.
- Decline to give personal or financial information to anyone who solicits contributions.
- Make contributions directly to known organizations, rather than relying on others who claim in e-mails that they will channel the donation to established groups.

For more information on giving wisely during the holidays visit www.bbb.org .

To report suspected fraud or scams, contact the AG’s Bureau of Consumer Protection at 702-486-3132, as well as local law enforcement.

If you are a victim of identity theft, you may be eligible to participate in the Nevada Identity Theft Program which provides a card to demonstrate that your identity has been stolen. The Program can assist in restoring credit and avoiding improper criminal charges.

To be eligible for a card, an identity theft victim must first file a police report with local law enforcement and ask for a brochure and application for a Nevada Identity Theft Card. For more information or questions about the Nevada Identity Theft Program, please call 877-213-5227 or send email to idtheft@ag.nv.gov.

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FOR IMMEDIATE RELEASE
DATE: December 29, 2011

Contact: Jennifer Lopez
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ATTORNEY GENERAL ANNOUNCES APPROVAL OF SALE OF PSYCHIATRIC HOSPITALS IN LAS VEGAS

Carson City, NV – Nevada Attorney General Catherine Cortez Masto has approved the divestiture of Montevista Hospital and Red Rock Behavioral Health Hospital, two psychiatric hospital facilities in Las Vegas, from Universal Health Services, Inc. (“UHS”) to Strategic Behavioral Health, LLC.

“Strategic Behavioral Health indicates they have the experience and long term vision necessary to be an effective competitor of behavioral health care provided to Las Vegas area families,” said Masto. “I welcome Strategic Behavioral Health and look forward to them becoming an integral part of the mental health community in Nevada.”

UHS was required to sell the hospitals to a buyer that receives the approval of General Masto pursuant to a federal court order, called a final judgment, in a Nov. 2010 antitrust lawsuit filed by General Masto that challenged UHS’ \$3.1 billion acquisition of Psychiatric Solutions, Inc. The divestiture ensures that competition remains for patients that need acute inpatient psychiatric care in Las Vegas. Absent the divestiture, UHS’ acquisition of Psychiatric Solutions, Inc. would have eliminated substantial head-to-head competition, and would have allegedly increased the likelihood of higher prices for and/or reduced availability of this critical service.

In addition, UHS will reimburse the fees incurred by the Office of the Attorney General resulting from investigating proposed acquirers for the divested hospitals.

UHS is one of the nation’s largest providers of general medical hospitals and behavioral health facilities, particularly in Nevada. Strategic Behavioral Health is a leading provider of behavioral health services in North Carolina and Colorado, and is based in Memphis, Tennessee.

The Office of the Attorney General’s Bureau of Consumer Protection (BCP) enforces state consumer protection laws related to deceptive trade and antitrust, through the

filing of lawsuits on behalf of the State of Nevada and the public good. The antitrust laws protect free and open competition in the marketplace, by prohibiting certain anticompetitive acts by companies.

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