



# MARYLAND ATTORNEY GENERAL

**Douglas F. Gansler**

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## News Release

### FOR IMMEDIATE RELEASE

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### **AG Gansler Files Lawsuits in Joint Federal-State Mortgage Rescue Fraud Sweep**

*Illegal schemes charge consumers large upfront fees, but offer little help; Firms in Brooklyn, N.Y. and Crofton alleged to have violated numerous Md. statutes*

**Baltimore, MD (July 23, 2014)** - Attorney General Douglas F. Gansler today announced that his Consumer Protection Division filed lawsuits against two law firms for allegedly operating illegal loan modification schemes that charge consumers large upfront fees, but often do not help them avoid foreclosure or modify their loans. The lawsuits are part of a joint federal-state sweep by the Consumer Financial Protection Bureau, the Federal Trade Commission and 15 states targeting over 30 firms and programs that prey on struggling homeowners or those facing foreclosure.

“Although we’ve been able to secure more than \$1.5 billion in relief for distressed Maryland homeowners through the National Mortgage Settlement and other legal victories, we still see bad actors trying to take advantage of consumers,” said Attorney General Gansler. “Consumers should never pay upfront fees to companies that may leave them in worse shape than when they started. Local nonprofit housing counselors provide the same services at no cost.”

The Consumer Protection Division charged Brooklyn, New York-based Litvin Law Firm, P.C., and its principal, Gennady Litvin, and the Law Office of Maria R. Flynn, L.L.C., and Ms. Flynn, based in Crofton, Maryland, with violating various Maryland statutes, including the Consumer Protection Act, the Maryland Credit Services Business Act, the Maryland Mortgage Assistance Relief Services Act and the Protection of Homeowners in Foreclosure Act.

Both companies use their status as law firms as a marketing tool to provide the appearance of legal representation and an air of trustworthiness, while providing little or no legal services, misrepresenting the success of the services that they do provide and charging illegal advance fees. After collecting upfront fees, these operations often fail to negotiate successful loan modifications, placing their victims at even greater risk of financial loss and foreclosure.

The Maryland Commissioner of Financial Regulation also participated in today’s joint federal-state sweep, filing two separate actions against additional firms or programs. For more information on those actions filed today, visit: <http://www.dllr.maryland.gov/whatsnews/finregsweep.shtml>.

The charges seek restitution for consumers harmed by the practices of the Litvin Law Firm and the Law Office of Maria R. Flynn. The hearing on charges against the Law Office of Maria R. Flynn will take place on October 27 at the Office of Administrative Hearings, 11101 Gilroy Road, Hunt Valley, MD 21031. The hearing on charges against the Litvin Law Firm is scheduled for November 18 at the same location.

Consumers with complaints against either firm may call the Consumer Protection Division at 410-576-6569; or write to 200 St. Paul Place, 16th Floor, Baltimore, MD 21202; or file a complaint online at <http://www.oag.state.md.us/Consumer/complaint.htm>.

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