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June 9, 2009

**NOTICE OF PROPOSED LITIGATION PURSUANT  
TO NEW YORK EXECUTIVE LAW § 63(12), REAL PROPERTY LAW  
§ 265-b, GENERAL BUSINESS LAW §§ 349 AND 350, AND JUDICIARY LAW § 479**

**BY CERTIFIED MAIL**

Mr. Salvatore Pane, Jr., President  
Amerimod Modification Agency  
333 Earle Ovington Blvd., Division #240  
Uniondale, New York 11553

**Notice of Intention to Sue**

Dear Mr. Pane:

You are hereby notified that the Attorney General intends to commence litigation against you and Amerimod Modification Agency a/k/a American Modification Agency (“Amerimod”) pursuant to New York Real Property Law § 265-b, General Business Law (“GBL”) §§ 349 and 350, Judiciary Law § 479 and Executive Law § 63(12), to enjoin repeated illegal and deceptive acts and practices in which you and Amerimod have engaged and continue to engage, and to obtain additional injunctive relief, restitution, penalties, damages and such other relief as the court may deem just and proper. As sole principal and President of Amerimod, you are responsible for the day-to-day operations of the business, and have participated in, or had knowledge of the acts and practices which form the basis of the Attorney General’s intention to sue, including your personal appearance in certain misleading infomercials for Amerimod’s services.

The Attorney General’s investigation into Amerimod’s practices was conducted as part of a larger investigation into loan modification companies in New York and across the country that solicit New York homeowners facing possible foreclosure. Amerimod is a “distressed property consultant” within the meaning of Real Property Law § 265-b, advertising that it can negotiate

with customers' lenders to lower their monthly mortgage payments and "avoid foreclosure." As a distressed property consultant, Amerimod has repeatedly and persistently violated Section 265-b by charging its New York customers thousands of dollars in up-front fees before the full completion of a loan modification. After collecting these fees and despite Amerimod's advertised promises of 100% guaranteed customer service, Amerimod often ends all communication with customers and fails to respond to their urgent inquiries as to the status of the company's negotiations with their banks. Amerimod has also violated Section 265-b by repeatedly and persistently "inducing or attempting to induce a homeowner to enter a consulting contract that does not fully comply" with the statute. Specifically, Amerimod's contracts with its customers have failed to provide the notice of right to cancel required under Section 265-b, which informs consumers of their right under New York law to cancel the contract, without penalty or obligation, within five business days of its execution, and advises consumers to consider consulting an attorney or government-approved housing counselor before signing legal documents concerning their homes. Moreover, Amerimod has violated Section 265-b by failing to offer its customers contracts that are "written in the same language that is used by the homeowner and was used in discussions between the consultant and the homeowner to describe the consultant's services or to negotiate the contract." This violation of Section 265-b is particularly egregious, considering that Amerimod has made concerted efforts to market to Spanish-speaking consumers, through advertisements placed in Spanish-language newspapers and appearances on the television network Noticiero Telemundo.

In addition, Amerimod has lured its customers through a panoply of false advertisements in violation of GBL § 350. Amerimod has represented in its advertising that homeowners cannot obtain adequate loan modifications on their own, without paying for Amerimod's services. The company also has falsely advertised that it is "licensed" to modify mortgages, when in fact no such license exists. Furthermore, by advertising that it has an "over 90% success rate," and in some advertisements even a "100% success rate," and that it has "saved over 7,000 homes to date for American Families," it has vastly overstated the company's track record and lulled customers into a false sense of security that Amerimod would be able to achieve a loan modification for them. In many cases, Amerimod has failed to achieve any loan modification for its customers. In some cases, all that Amerimod obtains for the customer in exchange for its exorbitant fees is a proposed modification that actually requires the consumer to make higher monthly payments - an impossible commitment for customers who are already unable to afford their monthly payments and are struggling to stay in their homes.

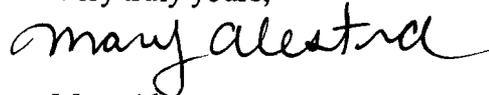
Moreover, Amerimod has recklessly engaged in a variety of deceptive business practices in violation of GBL § 349. It has falsely informed customers that loan modifications are typically completed in 30-90 days, when, in fact, modifications can often take much longer. The company has also encouraged customers to end contact with their lenders and disregard collection calls while their loan modification application is being processed, without disclosing that by doing so they may risk foreclosure. Amerimod has further misled customers by advertising that it has attorneys and "legal experts" on staff to work on their loan modifications, when in fact these attorneys are representing the company's or lenders' interests, do not

necessarily represent the interests of Amerimod's customers, and in most cases are not even involved in negotiating loan modifications for Amerimod's customers. In fact, according to Amerimod's own contracts, one of its staff attorneys "has represented and continues to represent mortgage lenders in foreclosure litigation matters." Amerimod also has provided customers with documentation that may mislead them into believing that Amerimod is actually a lender, and therefore has greater control over the outcome of the customer's modification application than it actually does.

Amerimod further appears to have engaged in repeated and persistent illegality under Executive Law § 63(12) by soliciting clients on behalf of an attorney in violation of New York Judiciary Law § 479. Such illegality is evidenced by some of Amerimod's contracts, which require New York customers to pay their fees directly to the attorney.

Please be advised that, pursuant to GBL §§ 349(c) and 350-c, you and Amerimod are hereby afforded the opportunity to show orally or in writing, within five business days after the receipt of this notice, why such proceedings should not be instituted.

Very truly yours,



Mary Alestra  
Assistant Attorney General  
Bureau of Consumer Frauds & Protection

cc: Hyman Hacker, Esq.  
Michelle Aulivola, Esq.