

# **UNWINDING THE MORTGAGE ELIMINATION SCAM**

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## **SUMMARY**

In 2005, 2 Northern California men were arrested after having run a nationwide real estate scam. Promising that home loans could be eliminated because of a legal technicality, they and their associates and copycats duped hundreds and maybe thousands of gullible property owners, many here in Sacramento. At best the result has been clouded title... at worst, homes lost to foreclosure.

This class is designed for any attorney dealing with real property issues and is likely to be contacted by victims of this and other real estate scams.

The class will cover the nature of the scam, how it was perpetrated, what actions have occurred in Federal Court, and what steps you can use to possibly advise and unwind the damage that has been caused.

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## OUTLINE

### (1) INTRODUCTION

Real Estate scams through the ages

Real Estate scams since 1990

The Mortgage Elimination Scam

Client capacity of pay for services

### (2) THE MORTGAGE ELIMINATION SCAM

Background

Parties involved

Legal Theories Presented

Presenting the Pitch

Promotional Meeting

The false promise

The price/benefit lure

Gullibility & Greed

Carrying out the scam

Use of Fictitious Trusts

Fraud on the Lenders

New Loans

Take the Money & Run

### (3) THE SCAM IS STOPPED

Arrests and Federal Prosecution

The "Injunction"

Voluntary Deed-backs - Recording block

Quiet Title Actions

The Release Procedure - individual

**(4) RELEASING PROPERTY FROM THE INJUNCTION**

Petition to Court & US Magistrate

Supporting Declaration

Service

Order

Time-Line

**(5) DEALING WITH FORECLOSING LENDERS**

**(6) CONCLUSION**

## **DOCUMENTS TO BE HANDED OUT AT SEMINAR**

- 1. Sample letter to Victims**
- 2. Copy of Injunction**
- 3. Sample of Petition**