

FACT SHEET

Sampson et al. v. All American Home Assistance Services, Inc. et al.

CONTACT MEDIA RELATIONS

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All statements below are allegations provided by the plaintiffs. None of these allegations have been proven yet.

ABOUT *Sampson et al. v. All American Home Assistance Services, Inc. et al.*

- Federal lawsuit brought by eighteen African American homeowners against one company and 12 individuals operating in the metropolitan Atlanta area. It alleges that the Defendants targeted African American homeowners, including Plaintiffs, for their loan modification scam.
- The complaint alleges that the Defendants persuaded Plaintiffs to pay for their purported services by claiming very high rates of success, government affiliation, guaranteeing loan modifications (often times specifying particular reductions of interest rate, mortgage payments or loan principal balances), and purporting to have non-profit status.
- The Defendants collected thousands of dollars in fees from the Plaintiffs and did not provide the loan modification services promised. Most Plaintiffs paid a total of \$1,500 in fees, typically characterized as a “donation” or “contribution,” although some Plaintiffs paid fees as high as \$3,500.
- The Defendants first operated their scheme through the National African American Relationships Institute, Inc. (“NAARI”) and NAARI Housing Counseling Agency (together, the “NAARI Entities”). The name indicates the target population. They posted video advertisements on YouTube channels aimed at African American audiences, held “workshops” at churches with predominantly African American membership, and enlisted sales associates to canvass predominantly African American neighborhoods.
- The NAARI Entities filed a petition for bankruptcy in October 2012. The NAARI Entities are not named as Defendants in light of the Bankruptcy Code’s automatic stay provision.
- The complaint alleges that a number of the Defendants appear to be continuing “business as usual” through a new business entity: Defendant All American.

- The Plaintiffs seek injunctive relief against all Defendants, and monetary relief from the twelve individual Defendants for their damages caused by the Defendants' loan modification scams.
- King & Spalding LLP and the Lawyers' Committee for Civil Rights Under Law are representing the plaintiffs in this matter free of charge.

ABOUT THE PLAINTIFFS

The plaintiffs in *Sampson et al. v. All American Home Assistance Services, Inc. et al.* include:

***George Sampson* (¶¶ 71-89)**

- Mr. Sampson is a widowed senior citizen who lives in Cherokee county. He is a prostate cancer survivor, and, after his wife died in 2010, his monthly income reduced.
- He was approached by a representative of the NAARI Entities at a local park advertising their loan modification services. Given his fixed income, Mr. Sampson wanted to ensure that he would be able to continue to live in the house that he shared with his wife for twelve of their thirty years of marriage.
- Mr. Sampson met with Defendant Bailey and was told that his case was a "slam dunk." He was told that the NAARI Entities worked with the government and had a current success rate of 99% in obtaining loan modification for their clients.
- Defendant Bailey also told Mr. Sampson that in order to facilitate the loan modification process, he would need to make a "donation" of \$1,500 to the NAARI Entities. Mr. Sampson paid the \$1,500 and was told not to pay his mortgage for one month.
- Defendants never obtained a loan modification for Mr. Sampson; and, as far as Mr. Sampson knows, never even contacted his bank regarding a loan modification.

***William and Glenda Brown* (¶¶ 205-224)**

- Mr. and Mrs. Brown live in Cobb County. In June 2012, Mr. Brown attended an event at the Cobb Galleria where he saw a booth for the NAARI Entities advertising employment opportunities and loan modification services.
- The Browns were looking for a way to reduce their mortgage payments, due to a reduction in their household income. Defendant Bailey told Mr. Brown that (a) due to his reduction in income, the Browns were eligible for assistance through President Obama's Making Home Affordable Program; and (b) the Browns would not have to make their mortgage payments while their application was being processed.

- Mrs. Brown recognized Defendant Bailey as a church member and because Mrs. Brown was familiar with Defendant Bailey from their church, the Browns made an appointment to meet with her at one of the NAARI Entities offices.
- Defendant Bailey told the Browns that because the NAARI Entities were a non-profit, they required a \$1500 “donation” for the loan modification services, and the process could take up to 60 days. The Browns paid the \$1,500 with the expectation that the NAARI Entities would negotiate a loan modification on their behalf.
- Several weeks passed without any updates from the NAARI Entities. The Browns have not been offered a refund nor have they obtained loan modification through the NAARI Entities.

ABOUT THE LEGAL CLAIMS

The complaint also alleges various causes of action including, but not limited to:

- **Violation of the federal Fair Housing Act (¶¶ 326-336):** Defendants intentionally targeted Plaintiffs, on the basis of race, for their loan modification scam. Such targeting constitutes “reverse redlining” and violates the Fair Housing Act.
- **Violation of the Credit Repair Organizations Act (“CROA”) (¶¶ 337-389):** Defendants were “credit repair organizations” and violated various aspects of CROA, including charging for credit repair services before they are performed, engaging in fraud related to credit repair services, and failing to provide various documents and disclosures.
- **False Advertising in Violation of O.C.G.A. § 10-1-420 and 421 (¶¶ 390-397):** Defendants advertised their loan modification services, and, in connection with those advertisements, made statements about the loan modification services that were untrue or fraudulent.
- **Unfair or Deceptive Practices in Violation of O.C.G.A. § 10-1-393(20)(B) (¶¶ 398-402):** Defendants advertised services to assist debtors whose home loans were in default with intent not to assist such debtors as advertised, or made false or misleading representations to such debtors about assisting the debtors in connection with their home loans.
- **Unfair or Deceptive Practices Toward the Elderly in Violation of O.C.G.A. § 10-1-850 et. seq. (¶¶ 403-424):** This claim is brought by those Plaintiffs who are 60 years old or older.
- **Fraud (¶¶ 425-536):** Defendants knowingly or recklessly made misrepresentations to Plaintiffs, intending that the Plaintiffs would rely on those misrepresentations. Plaintiffs, who were not reasonably able to discover the truth of those misrepresentations at the time they relied upon them, were harmed by their reliance on those misrepresentations in that they paid large fees for loan modification services they never received.