

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

NATIONAL HOMETEAM SOLUTIONS, LLC;

NATIONAL FINANCIAL SOLUTIONS, LLC;

UNITED FINANCIAL SOLUTIONS, LLC;

NATIONWIDE FORECLOSURE SERVICES, LLC;

EVALAN SERVICES, LLC;

ELANT, LLC;

ELIAS H. TAYLOR, aka ELI TAYLOR;

EVERARD TAYLOR, aka EVERARDO TAYLOR;

EMANUEL TAYLOR; and

EDWIN P. TAYLOR, SR., aka ED TAYLOR,

Defendants.

Civil Action No.

**COMPLAINT FOR INJUNCTIVE
AND OTHER EQUITABLE
RELIEF**

1. Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to secure a permanent injunction, rescission of contracts and restitution, disgorgement of ill-gotten gains, and other equitable relief against Defendants for engaging in deceptive acts or practices in connection with the sale of mortgage foreclosure prevention services in violation of

Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 15 U.S.C. §§ 45(a) and 53(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.

3. Venue in the United States District Court for the Eastern District of Texas is proper under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b) and (c).

PLAINTIFF

4. Plaintiff FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58, as amended. The Commission is charged with, *inter alia*, enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The Commission is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act, and to secure such equitable relief, including restitution for injured consumers, as may be appropriate in each case. 15 U.S.C. § 53(b).

DEFENDANTS

5. Defendant National Hometeam Solutions, LLC (“NHS”), is a Texas limited liability company that uses the addresses 1513 Kimberly Court, Wylie, TX 75098, and PO Box 940975, Plano, TX 75074. NHS transacts or has transacted business in the Eastern District of Texas.

6. Defendant National Financial Solutions, LLC (“NFS”), is a Texas limited liability company that uses the addresses 1513 Kimberly Court, Wylie, TX 75098, and PO Box 739, Wylie, TX 75098. NFS transacts or has transacted business in the Eastern District of Texas.

7. Defendant United Financial Services, LLC (“UFS”), is a Texas limited liability company that uses the addresses PO Box 293, Keller, TX 76244, and PO Box 739, Wylie, TX 75098. UFS transacts or has transacted business in the Eastern District of Texas.

8. Defendant Nationwide Foreclosure Services, LLC (“NFSL”), is a Texas limited liability company that uses the address PO Box 3396, Conroe, TX 77305. NFSL transacts or has transacted business in the Eastern District of Texas, or should, in the interests of justice, be a defendant to this action pursuant to 15 U.S.C. § 53(b).

9. Defendant Evalan Services, LLC (“Evalan”), is a Texas limited liability company that uses the address PO Box 339, Katy, TX 77492. Evalan transacts or has transacted business in the Eastern District of Texas.

10. Defendant Elant, LLC (“Elant”), is a Texas limited liability company that uses the addresses 1513 Kimberly Court, Wylie, TX 75098, and PO Box 739, Wylie, TX 75098. Elant transacts or has transacted business in the Eastern District of Texas.

11. Defendant Elias H. Taylor is, or at times material to this Complaint has been, a manager of NHS, NFS, and Elant. At times material to this Complaint, acting alone or in concert with others, Elias Taylor has formulated, directed, controlled, or participated in the acts and practices of NHS, NFS, UFS, NFSL, Evalan, and Elant, including the acts and practices set forth in this Complaint. Elias H. Taylor transacts or has transacted business in the Eastern District of Texas. He is also known as Eli Taylor.

12. Defendant Everard Taylor is, or at times material to this Complaint has been, a manager of Evalan. At times material to this Complaint, acting alone or in concert with others, Everard Taylor has formulated, directed, controlled, or participated in the acts and practices of

NHS, NFS, Evalan, and Elant, including the acts and practices set forth in this Complaint.

Everard Taylor transacts or has transacted business in the Eastern District of Texas. He is also known as Everardo Taylor.

13. Defendant Emanuel Taylor is, or at times material to this Complaint has been, a manager of UFS. At times material to this Complaint, acting alone or in concert with others, Emanuel Taylor has formulated, directed, controlled, or participated in the acts and practices of UFS, including the acts and practices set forth in this Complaint. Emanuel Taylor transacts or has transacted business in the Eastern District of Texas.

14. Defendant Edwin P. Taylor, Sr., is, or at times material to this Complaint has been, a manager of NFSL. At times material to this Complaint, acting alone or in concert with others, Edwin Taylor has formulated, directed, controlled, or participated in the acts and practices of NFSL, including the acts and practices set forth in this Complaint. Edwin Taylor transacts or has transacted business in the Eastern District of Texas, or should, in the interests of justice, be a defendant to this action pursuant to 15 U.S.C. § 53(b). He is also known as Ed Taylor.

COMMERCE

15. At all times relevant to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS PRACTICES

16. Since at least August 2005, individual Defendants Elias H. Taylor, Everard Taylor, Emanuel Taylor, and Edwin P. Taylor, Sr., individually and through the Defendant businesses, have advertised, promoted, offered for sale, and sold throughout the United States a

service to homeowners that purports to stop home foreclosure sales. Defendants market their service specifically to homeowners who are in danger of losing their home to foreclosure. Defendants charge their clients an up-front fee of \$500 to \$1,200 for this purported service. The individual Defendants have marketed the service under a variety of company names, including, but not limited to, National Hometeam Solutions, National Financial Solutions, United Financial Solutions, Nationwide Foreclosure Services, Evalan Services, and Elant. Although the names of the companies through which the individual Defendants have done business have changed over time, their marketing and sales techniques have remained constant. Defendants have advertised their services by various means, including through the Internet websites www.istoptheforeclosure.com, www.mynationwideservice.com, and www.stopforeclosureprofessionals.com.

Defendants' Representations That They Can Successfully Stop Any Foreclosure

17. To induce consumers to purchase Defendants' service, Defendants have disseminated or caused to be disseminated website and direct-mail advertisements containing the following statements, among others, regarding the likely success of their services:

You still have time! We can stop any foreclosure regardless of how much is owed, but the longer you wait the more difficult our task. Call Us Today! We talk to the banks and the lawyers so you don't have to! We have stopped hundreds of foreclosures all over the country. We stop foreclosures everyday. Let's stop yours this week! We have answers within 24hrs!

– Exh. A at 2; *see also* Exh. B at 2 (similar)

We have stopped foreclosure within 24 hours of sale.

* * *

Special relations we have with many mortgage banks expedite case approvals within 24 hours.

* * *

Avoid unnecessary bankruptcy and save your credit

– Exh. A at 1; Exh. B at 1-2

We are foreclosure experts. **We are proud of our service to the local community.** We stop and delay foreclosures in this state and all across the country.

– Exh. C

18. Defendants also have made claims regarding the likely success of their service in the course of oral telephone sales presentations to consumers. For example, Defendants have made statements that their service can stop foreclosure with respect to specific consumers' homes; that their service provides options to prevent foreclosure other than filing for bankruptcy; that they have inside contacts with particular lenders; that they will negotiate with lenders; and that they have helped numerous homeowners stop their foreclosures.

19. In fact, in numerous instances Defendants did not successfully prevent foreclosure for their clients. First, many clients face insurmountable obstacles in trying to find workable options to prevent foreclosure, such as a lender that will not re-negotiate the client's underlying loan, a negative credit history, or a slow housing market. Second, Defendants, in numerous instances, ensured failure for their clients by not taking any of the actions they had promised – such as contacting the lender or re-negotiating the loan – or taking only minimal steps that were not calculated to prevent foreclosure. Third, Defendants, in numerous instances, *increased* the threat of foreclosure by inducing clients to passively wait during the weeks before the foreclosure sale, rather than contact the lender directly and explore potential options. In many instances, after failing to do anything to stop the foreclosure, Defendants advise clients to go to an office-

supply store and purchase a cheap self-help bankruptcy kit. Because of their reliance on Defendants' promises, numerous clients lost not only fees of \$500-\$1200, but also their homes.

Defendants' Representations That Their Services Are Guaranteed

20. Defendants have disseminated or caused to be disseminated advertisements containing the following statements, among others, regarding the ability of clients to obtain a full refund of fees in those few cases where foreclosure could not be prevented:

Keep your home. We know your home is scheduled to be sold in a matter of days. No Problem! We can stop your foreclosure with a written guarantee no matter how far behind, no matter how much is owed....

– Exh. C

We can stop your foreclosure with a written guarantee.

– Exh. A at 1; Exh. B at 1

21. Defendants also have made promotional claims in telephone sales presentations guaranteeing that they can prevent and stop foreclosure proceedings.

22. In fact, Defendants' refund program is a fiction. In numerous instances, Defendants fail to refund fees paid by clients where stopping foreclosure was, in fact, deemed impossible and where a foreclosure sale actually occurred. As a result, consumers in numerous instances lost fees of \$500 to \$1,200, even in instances where they had suffered a foreclosure sale. In numerous instances, clients also lost their homes in foreclosure sales when, relying on Defendants' money-back guarantee, they purchased Defendants' ineffective services rather than directly contacting the lender, or other reliable third parties offering assistance, to explore potential alternatives to foreclosure.

THE FTC ACT

23. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), provides that “unfair or deceptive acts or practices in or affecting commerce, are hereby declared unlawful.”

24. Misrepresentations or omissions of material facts constitute unfair or deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

FTC ACT VIOLATIONS

COUNT I

False Claims of Success in Preventing Foreclosure

25. Defendants have represented, expressly or by implication, that Defendants will stop foreclosure in all or virtually all instances.

26. In truth and in fact, Defendants do not stop foreclosure in all or virtually all instances.

27. Therefore, Defendants’ representations as set forth in Paragraph 25 were, and are, false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II

False Claims Regarding Defendants’ Money-Back Guarantee

28. Defendants have represented, expressly or by implication, that Defendants will refund most or all of the client’s fees in all instances where foreclosure cannot be stopped.

29. In truth and in fact, Defendants do not refund most or all of the client’s fees in all instances where foreclosure cannot be stopped.

30. Therefore, Defendants’ representations as set forth in Paragraph 28 were, and are,

false and misleading and constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

31. Consumers throughout the United States have suffered and continue to suffer substantial monetary loss as a result of Defendants' unlawful acts or practices. In addition, Defendants have been unjustly enriched as a result of the unlawful practices set forth in this Complaint. Absent injunctive relief from this Court, Defendants are likely to continue to injure consumers and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

32. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of the FTC Act. The Court, in the exercise of its equitable jurisdiction, may award other ancillary relief, including, but not limited to, rescission of contracts and restitution, and the disgorgement of ill-gotten gains, to prevent and remedy injury caused by Defendants' law violations.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Federal Trade Commission, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

1. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including, but not limited to, temporary and preliminary injunctions, and an order freezing assets;

2. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;

3. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including, but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies by Defendants; and

4. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Dated: _____, 2008

Respectfully Submitted,

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