



Department of Justice

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**INDICTMENT UNSEALED CHARGING SIX INDIVIDUALS AS A PART
OF ALLEGED CC BROWN HOME LOAN MODIFICATION SERVICES SCHEME**

SALT LAKE CITY – A 40-count federal indictment unsealed late Thursday afternoon in U.S. District Court in Salt Lake City charges six individuals with violations of federal law in what the indictment alleges was a scheme to market and sell home loan modification services to distressed homeowners trying to save their homes from foreclosure following the financial crisis of 2008. Investigators believe the alleged scheme involved more than 10,000 victims in nearly every state in the country with losses of more than \$33 million.

Charged in the indictment are Chad Gettel, age 39, of Salt Lake City, John McCall, age 43, of Park City, Noemi Lozano aka Noemi Sayama, age 24, of San Diego, Sheridan Black, age 66, of South Jordan, James Scott Creasey, age 36, of Riverton, and Jeremiah Barrett, age 33, of Bountiful. Charges in the indictment include conspiracy, mail fraud, wire fraud, telemarketing fraud, conspiracy to commit money laundering, and money laundering.

“The defendants in this case allegedly represented that CC Brown was a business comprised of successful lawyers who targeted individual homeowners with the false promise of quality legal representation and legitimate loan modifications. Their scheme allegedly took advantage of these vulnerable homeowners who were desperate to secure some financial relief and save their homes, but ended up in even deeper financial trouble. The indictment makes clear that anyone contemplating similar crimes will be investigated and prosecuted and warns potential victims to be extremely cautious before paying fees to anyone offering financial rescue,” U.S. Attorney Carlie Christensen said today.

The indictment alleges that the object of the conspiracy for the defendants was to market and sell loan modification services using false and fraudulent pretenses to obtain money from customers and to enrich themselves.

According to allegations in the indictment, Gettel and Lozano started their loan modification business in July 2009 and set up CC Brown Law LLC. They hired attorneys to create the false impression that their loan modification business was a law firm. According to the indictment, attorneys provided little to no actual legal services for individual customers,

while misrepresenting to the public that the attorneys were providing the core legal services for which the customers were paying. In fact, the indictment alleges, non-attorney “processors” and telemarketers working for them performed most if not all of the work for customers seeking loan modifications.

In August 2009, according to allegations in the indictment, Gettel obtained information about homeowners who were delinquent on their mortgage payments, and hired third parties, including a telemarketing center in California, to market his loan modification business to these homeowners. Telemarketers pitched CC Brown using false and misleading statements Gettel provided them, including statements that CC Brown had a 90 percent success rate in obtaining loan modifications; offering a money back guarantee on obtaining a successful loan modification; and that CC Brown’s attorneys would provide the loan modification work.

Other misleading statements the defendants caused telemarketers to make to customers included that loan modifications typically occurred in four months; that their attorneys had over 100 years combined experience in real estate law; and that they had obtained over 6,000 successful loan modifications and averaged 300-400 successful loan modifications per month. Customers relied on these misleading and fraudulent statements in purchasing the services of the loan modification businesses, the indictment alleges. Gettel and McCall eventually instructed the telemarketers to sign up every potential customer who called regardless of whether the customer qualified for a home loan modification.

Gettel hired McCall around January 2010. Around April 2010, Gettel and McCall created in-house teams of telemarketers in Utah. Black and Barrett joined CC Brown to work in the Utah telemarketing center. Creasey joined CC Brown in early 2011. Black, Barrett, and Creasey eventually managed or supervised the Utah-based telemarketing operation, the indictment alleges.

Complaints to state and federal agencies in Utah and other states reflected a pattern of fraudulent conduct. Customers would go for months without knowing the status of their loan modification, and those who were already in default continued to receive letters and phone calls from the lender or debt collector. In some instances, customers lost their homes to foreclosure while still waiting for word on their loan modification from CC Brown.

The case is being investigated by special agents of the U.S. Treasury’s Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP); IRS Criminal Investigation; the FBI; Office of Inspector General Board of Governors of the Federal Reserve System and Consumer Financial Protection Bureau; and the Federal Housing Finance Agency-Office of Inspector General.

“These individuals are accused of using the banner of a law firm to defraud more than 10,000 struggling homeowners residing in nearly every state out of more than \$33 million. SIGTARP and our law enforcement partners are shutting down mortgage modification fraud— a reprehensible crime that preys upon struggling homeowners who are seeking help from the Home Affordable Modification Program (HAMP) because they are desperate to save their

homes from foreclosure and keep a roof over their families' heads." said Christy Romero, Special Inspector General for the Troubled Asset Relief Program (SIGTARP).

"Taking advantage of desperate homeowners is a deplorable act. Fraudulent loan modification schemes, which raise false hopes with phony promises of legal representation, take advantage of struggling homeowners willing to do almost anything to save their homes. Individuals committing loan modification fraud profit from that desperation," Mary Rook, Special Agent in Charge of the FBI said.

"The indictments of the individuals alleged to have committed this fraudulent loan modification scheme should serve as a continued warning to anyone contemplating this type of fraud that their actions will be fully investigated and vigorously prosecuted," stated John G. Collins, Special Agent in Charge of Utah for IRS Criminal Investigation.

If you have information regarding C.C. Brown and related entities, or individuals identified in the indictment, please contact the FBI at 1-877-236-8947. Please select option 2, case update.

For further information regarding this matter, please go online at http://www.fbi.gov/stats-services/victim_assistance/c.c.-brown-company-loan-modifications

"Along with our law enforcement partners, we are committed to ensuring that individuals who fraudulently undermine key government programs intended to support consumers of financial services are held accountable to the fullest extent of the law," said Mark Bialek, Inspector General of the Board of Governors of the Federal Reserve System and Consumer Financial Protection Bureau."

"This alleged scheme was complex and callous in its attempt to prey on those in need. Our office, along with our law enforcement partners, will continue to combat the fraud that victimizes troubled families, and Fannie Mae and Freddie Mac,"

Federal Housing Finance Agency-Office of Inspector General Special Agent in Charge Barry McLaughlin stated.

Arrests warrants were executed Thursday. Gettel, McCall, Black, Creasey and Barrett were arrested in Utah. An initial appearance for these defendants is set for Friday at 3 p.m. before U.S. Magistrate Judge Evelyn Furse. Lozano was arrested in Los Angeles, where she had an initial appearance Thursday afternoon. She was released on a \$50,000 security bond and must wear an ankle monitor. She was ordered to appear in federal court in Salt Lake City on March 19. Indictments are not findings of guilt. Individuals charged in indictments are presumed innocent unless or until proven guilty in court.

The potential maximum penalties for the counts charged in the indictment include up to 30 years for each count of conspiracy, mail fraud and wire fraud; a term of up to 10 years for the telemarketing fraud allegation; up to 20 years for conspiracy to commit money laundering; and up to 10 years for each count of money laundering. Gettel is charged in all 40 counts of the indictment. McCall is charged in counts 1-5 and 7-40 (39 counts). Lozano is charged in counts 1 and 6. Creasey is charged in count 1 and counts 14-17 (5 counts). Barrett is charged in count 1 and counts 18-22 (6 counts) and Black is charged in count 1 and counts 23-29 (8 counts).