

**ROBB EVANS & ASSOCIATES LLC**  
**Temporary Receiver of The Gordon Law Firm P.C.,**  
**Division One Investment and Loan, Inc. and Processing Division, L. L. C., et al.**  
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**Consumer Financial Protection Bureau v. Chance Edward Gordon, et al.**  
**CASE No. 12CV-06147-RSWL(MRWx)**

**Notice of Motion and Motion for Approval and Payment of Fees and Expenses of  
Temporary Receiver and its Professionals  
Incurred from Inception Through August 31, 2012,  
and for Order Limiting Notice Under Local Civil Rule 66-7 in Connection Therewith;  
Points of Authorities and Declaration of Gary Owen Caris in Support Thereof;  
Declaration of Brick Kane in Support Thereof**

**Filed September 20, 2012**

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**ROBB EVANS & ASSOCIATES LLC**

7  
8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**

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11 CONSUMER FINANCIAL  
PROTECTION BUREAU,  
12  
13 Plaintiff,  
14 v.  
15 CHANCE EDWARD GORDON,  
*et al.*  
16 Defendants.

CASE NO. 12CV 06147-RSWL(MRWx)

**NOTICE OF MOTION AND  
MOTION FOR APPROVAL AND  
PAYMENT OF FEES AND  
EXPENSES OF TEMPORARY  
RECEIVER AND ITS  
PROFESSIONALS INCURRED  
FROM INCEPTION OF THE  
RECEIVERSHIP THROUGH  
AUGUST 31, 2012, AND FOR ORDER  
LIMITING NOTICE UNDER LOCAL  
CIVIL RULE 66-7 IN CONNECTION  
THEREWITH; MEMORANDUM OF  
POINTS AND AUTHORITIES AND  
DECLARATION OF GARY OWEN  
CARIS IN SUPPORT THEREOF**

**[BRICK KANE DECLARATION  
FILED UNDER SEPARATE COVER]**

Date: October 23, 2012  
Time: 10:00 a.m.  
Place: Courtroom 21

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24 PLEASE TAKE NOTICE that on October 23, 2012, commencing at 10:00  
25 a.m. or as soon thereafter as the parties may be heard in Courtroom 21 of the  
26 above-entitled Court located at 312 North Spring Street, 5<sup>th</sup> Floor, Los Angeles,  
27 California 90012, Robb Evans & Associates LLC, the Temporary Receiver for The  
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1 Gordon Law Firm P.C., Division One Investment and Loan, Inc., and Processing  
2 Division, L.L.C., and their successors, assigns, affiliates and subsidiaries  
3 (“Receivership Defendants”) pursuant to the Court’s Ex Parte Temporary  
4 Restraining Order with Asset Freeze, Appointment of Temporary Receiver,  
5 Expedited Discovery, and Other Equitable Relief and Order to Show Cause Why  
6 Preliminary Injunction Should Not Issue entered July 18, 2012 (“TRO”) will and  
7 does hereby move the Court for an order for the following relief:

8 1. For an order approving and authorizing payment of the Temporary  
9 Receiver’s fees and expenses and those of its professionals incurred from the  
10 inception of the receivership through and including August 31, 2012 (“Initial  
11 Expense Period”) from receivership assets, including the Temporary Receiver’s  
12 fees of \$219,772.69 and costs of \$7,989.40, and the Temporary Receiver’s  
13 attorneys’ fees of \$26,838.45 and costs of \$325.26 incurred to its counsel,  
14 McKenna Long & Aldridge LLP, for total Receiver’s and legal fees and costs  
15 incurred in the Initial Expense Period of \$254,925.80;

16 2. For an order limiting notice under Local Civil Rules 66-7(f) and 6-1  
17 and deeming the Temporary Receiver’s service of notice of this motion and the  
18 motion on the parties to this action through service on their counsel of record,  
19 service of notice of the hearing on the motion on known unpaid vendor and other  
20 non-consumer creditors of the Receivership Defendants, and posting of the notice  
21 of motion and motion, supporting memorandum and declarations without  
22 voluminous exhibits on the Temporary Receiver’s web site for this case to be  
23 sufficient and appropriate notice under the circumstances.

24 This motion is made pursuant to Local Civil Rule 66-7 and is made and  
25 based on this notice of motion and motion, the accompanying memorandum of  
26 points and authorities and the Declaration of Gary Owen Caris in support hereof,  
27 the separate Declaration of Brick Kane in support hereof, the separate notice of  
28 hearing on the motion filed concurrently herewith, on the pleadings, records and

1 files of the Court in connection with this action, including without limitation the  
2 Report of Temporary Receiver's Activities July 19, 2012 Through July 30, 2012  
3 filed on August 2, 2012 (Doc. No. 28) and the Temporary Receiver's two  
4 supplemental reports, and on such other oral and documentary evidence and  
5 arguments of counsel as may be presented by the Temporary Receiver prior to or at  
6 the hearing on the motion.

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Dated: September 20, 2012

MCKENNA LONG & ALDRIDGE LLP  
GARY OWEN CARIS  
LESLEY ANNE HAWES

By: /s/Gary Owen Caris  
Gary Owen Caris  
Attorneys for Temporary Receiver  
**ROBB EVANS & ASSOCIATES  
LLC**

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Consumer Financial Protection Bureau (“CFPB”) filed its complaint  
4 against defendants Chance Gordon (“Gordon”), Michael Pessar (“Pessar”), and  
5 various related entities owned and controlled by them alleging that the defendants  
6 operated a loan modification company in violation of various provisions of the  
7 consumer financial protection laws enacted by the Consumer Financial Protection  
8 Act of 2010 and related regulations. The CFPB alleged that defendants used  
9 deceptive and misleading representations and advertising practices to induce  
10 consumers to pay an upfront fee for loan modification services in violation of  
11 applicable law and that they attempted to circumvent the consumer protection  
12 statutes for companies offering loan modification services by claiming that the  
13 upfront fee, generally in the \$3,000 range, was for “customized” legal forms with a  
14 demand letter, request to a lender for copies of loan documents, and a draft lawsuit  
15 against the lender, and that the loan modification services were offered “free” to  
16 their legal services customers. The CFPB alleged that it had received numerous  
17 complaints from consumers regarding the defendants’ practices. Based on the  
18 CFPB’s complaint and its ex parte application for a temporary restraining order and  
19 order to show cause as to why a preliminary injunction should not issue, the Court  
20 issued the TRO on July 18, 2012.

21 The TRO appointed Robb Evans & Associates LLC as Temporary Receiver  
22 over the Receivership Defendants, imposed an asset freeze and on the assets of the  
23 individual defendants, and set a hearing on the CFPB’s application for a  
24 preliminary injunction for August 1, 2012. The CFPB and the defendants  
25 subsequently reached a stipulation by which the defendants were granted additional  
26 time to file their opposition to the request for a preliminary injunction and the  
27 CFPB’s reply deadline was also extended, the hearing set on the request for the  
28 preliminary injunction was taken off-calendar and the TRO was extended to the

1 date on which the Court rules on the preliminary injunction request. Defendants  
2 Chance Gordon and The Gordon Law Firm filed an opposition to the preliminary  
3 injunction, and the CFPB filed a reply.

4 The CFPB has entered into a stipulation for entry of a preliminary injunction  
5 (“Proposed Pessar Preliminary Injunction”) as to defendant Pessar and Receivership  
6 Defendants Division One Investment and Loan, Inc. and Processing Division,  
7 L.L.C., and their successors, assigns, affiliates and subsidiaries (“Pessar  
8 Receivership Defendants”) which was filed on August 29, 2012. Court approval of  
9 the stipulation for entry of a preliminary injunction against the Pessar Receivership  
10 Defendants is pending, and Gordon and The Gordon Law Firm have filed  
11 objections to the Proposed Pessar Preliminary Injunction. The CFPB’s request for  
12 a preliminary injunction as to the remaining defendants has been fully briefed and is  
13 also pending determination by the Court.

14 This motion is the Temporary Receiver’s first fee motion for the Initial  
15 Expense Period. The motion is filed pursuant to the provisions of the TRO which  
16 required the Temporary Receiver to file an initial application for compensation  
17 sixty days after issuance of the TRO.

18 **II. SUMMARY OF SERVICES AND ACTIVITIES OF RECEIVER AND**  
19 **ITS COUNSEL DURING INITIAL EXPENSE PERIOD**

20 This motion is the Temporary Receiver’s first motion for approval and  
21 payment of the fees and expenses of the Temporary Receiver and its counsel and  
22 covers the period from the inception of the receivership through and including  
23 August 31, 2012. The motion seeks approval and payment of the Temporary  
24 Receiver’s fees incurred during the Initial Expense Period of \$219,772.69 and costs  
25 of \$7,989.40. The Temporary Receiver’s fees include the Receiver’s fees for  
26 services of its members of \$97,100.10, senior and accounting staff of \$94,807.55,  
27 IT Management staff of \$13,419.00, and support staff of \$14,446.04. The motion  
28 also seeks approval and payment of the Temporary Receiver’s attorneys’ fees of

1 \$26,838.45 and costs of \$325.26 incurred to its counsel, McKenna Long &  
2 Aldridge LLP. The total Temporary Receiver's and legal fees and costs incurred in  
3 the Initial Expense Period of \$254,925.80. The receipts and disbursements from  
4 the estate, and the fees and expenses of the Receiver and its counsel incurred in the  
5 Initial Expense Period are summarized in the Receivership Administrative  
6 Expenses and Fund Balance by Month attached as Exhibit 1 to the Declaration of  
7 Brick Kane in support of this motion.

8 On August 2, 2012, the Temporary Receiver filed its Report of Temporary  
9 Receiver's Activities July 19, 2012 Through July 30, 2012 ("Temporary Receiver's  
10 Report") (Doc. No 28) which summarizes the Temporary Receiver's activities  
11 during the period of that report and the Temporary Receiver's initial findings  
12 regarding the Receivership Defendants' businesses and their ability to operate  
13 lawfully and profitably. As reflected in the Temporary Receiver's Report, the  
14 Temporary Receiver's immediate activities after its appointment focused on taking  
15 possession and control of the business premises of the Receivership Defendants,  
16 which included ten separate office suites, and of the business records and files of  
17 the businesses. The McKenna Firm assisted the Temporary Receiver in reviewing  
18 the Temporary Receiver's Report prior to filing and in filing that report with the  
19 Court on August 2, 2012.

20 When the Temporary Receiver entered the business premises, it found  
21 approximately 55 employees present. Of those 55 employees, only three agreed to  
22 cooperate with the Temporary Receiver's members and staff. Defendant Gordon  
23 has also been uncooperative with the Temporary Receiver, including physically  
24 pushing and shoving a staff member of the Temporary Receiver on the date of the  
25 Temporary Receiver's initial entry, and issuing a series of angry and threatening  
26 postings on Facebook, addressed in the Temporary Receiver's Report, as well as a  
27 threatening e-mail which was the subject of the Supplemental Report filed by the  
28 Temporary Receiver on August 7, 2012 (Doc. Nos. 32-34).

1           **A.    Analysis of Business and Financial Activities of the Receivership**  
2           **Defendants**

3           During the first twelve days after the Temporary Receiver’s appointment, the  
4 Temporary Receiver performed a preliminary analysis of the sales and marketing  
5 activities, business operations and activities of the Receivership Defendants. In  
6 analyzing the sales and marketing operations of the Receivership Defendants, the  
7 Temporary Receiver’s members and staff reviewed and evaluated marketing  
8 guides, sales scripts, handbooks and other materials, and met with those employees  
9 of the Receivership Defendants who cooperated with the Temporary Receiver.  
10 These materials included written summaries of weekly Friday staff meetings for the  
11 period from November 2010 through July 13, 2012. The materials included  
12 instructions to the Receivership Defendants’ staff regarding how they were to  
13 identify and describe the company in sales calls, what bank account and financial  
14 information to obtain from the consumer, and other directions regarding marketing  
15 the Receivership Defendants’ services to consumers. The Temporary Receiver  
16 reviewed the documents included in the “Pre-Litigation Monetary Claims Program”  
17 and the “Attorney/Client Pro Bono Legal Agreement” that were offered to  
18 customers of the company and the customer files to determine the documents  
19 actually provided to customers of the Receivership Defendants in connection with  
20 these programs and the fees charged.

21           The legal processing department of the companies handled the loan  
22 modification attempts. The Receivership Defendants records included a database of  
23 customer file information, known as the SX-3 database. The Temporary Receiver  
24 and its members and staff analyzed information from that database and compared  
25 the information to other information concerning the status of the files listed as  
26 active in that database. As the Temporary Receiver’s Report describes, the  
27 companies’ database listed 2,304 “active” cases. The Temporary Receiver’s  
28 members and staff reviewed the list of files, determined approximately 52 were



1 duplicates and that many of the files listed as active were actually closed or  
2 inactive. Ultimately the Temporary Receiver concluded there were approximately  
3 828 active files open, approximately 1,476 less than the database indicated.

4 Because of the unreliability of the information in the database, the  
5 Temporary Receiver observed and reviewed separate calendars and schedules  
6 prepared by the Receivership Defendants' staff that were posted to walls and  
7 cubicles which were apparently maintained by individual employees. In addition,  
8 the Temporary Receiver reviewed a monthly Excel spreadsheet maintained by the  
9 manager of the legal processing section called the "Closing Count" which described  
10 the outcome of the closed files. Based on the Temporary Receiver's analysis of the  
11 database, the Closing Count spreadsheets, other materials and a random sampling  
12 of the Receivership Defendants' consumer files, the Temporary Receiver  
13 categorized the data available regarding the closed files in subcategories of  
14 "successful completions" and "unsuccessful completions." The results of the  
15 Temporary Receiver's preliminary analysis from the first 12 days of its review are  
16 included in the Temporary Receiver's Report.

17 The Temporary Receiver also evaluated more than 100 customer complaints  
18 regarding the Receivership Defendants, including complaints filed with the  
19 California State Bar, the Los Angeles Better Business Bureau, complaints located  
20 in the files in the Receivership Defendants' offices, written inquiries from state  
21 agencies, including four out-of-state agencies, and various lawsuits filed by  
22 customers against the Receivership Defendants. During the period following the  
23 filing of the Temporary Receiver's Report, the Receiver has continued to review  
24 and analyze the data and files of the Receivership Defendants' and the loan  
25 modification business. The Temporary Receiver has been contacted by and has  
26 responded to hundreds of customer calls with inquiries and complaints about the  
27 handling of their matters. The Temporary Receiver has received notice of lawsuits  
28 filed by certain former customers against Gordon, The Gordon Law Firm or other

1 related Receivership Defendants. The Temporary Receiver has since revised its  
2 analysis of the successful and unsuccessful closing files based on numerous  
3 communications with customers of the Receivership Defendants and further  
4 available data on the closed files, and on September 11, 2012, filed a Second  
5 Supplemental Report (Doc. No. 45) revising downward its conclusions regarding  
6 the likely success rate for the loan modifications attempted by the Receivership  
7 Defendants.

8 The Temporary Receiver's analysis of the Receivership Defendants' business  
9 also included a financial analysis by a certified public accountant who is a member  
10 of its staff. The Temporary Receiver's deputy specifically reviewed the 14 separate  
11 Quickbooks files for seven different entities to prepare a preliminary schedule of  
12 intercompany transactions and preliminary financial summary of the receipts,  
13 expenses and other disbursements of the entities. The financial records reviewed  
14 covered the time frame of January 2010 to July 2012, except for those entities  
15 which began operating after January 2010. For those entities, the Temporary  
16 Receiver's accounting staff reviewed the accounting records available from the  
17 inception of operations for that entity to July 2012. After filing its preliminary  
18 financial analysis with its Temporary Receiver's Report, the Temporary Receiver's  
19 accounting staff have continued to analyze the specific line item expenses,  
20 intercompany transfers and transfers to insiders. The Temporary Receiver noted  
21 discrepancies between the Quickbooks records and the cash on hand and other  
22 financial records, and defendant Michael Pessar ("Pessar") conceded the  
23 Quickbooks records are not accurate. The Temporary Receiver is therefore  
24 continuing its analysis of the Receivership Defendants' financial transactions  
25 through source banking records.

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1           **B. Activities Relating to Pending Foreclosures and Open Customer**  
2           **Files and Customer Communications**

3           The Temporary Receiver's personnel communicated with available staff of  
4 the Receivership Defendants and reviewed files and other materials available to try  
5 to determine the status and timing of upcoming foreclosure sales and pending open  
6 customer files. Members of the Temporary Receiver's staff immediately took steps  
7 to contact the foreclosure trustees and lenders where foreclosure sales were  
8 scheduled in the immediate future to try to postpone those sales in light of the  
9 Temporary Receiver's appointment and the substantially reduced business  
10 operations of the Receivership Defendants. As the TRO has been extended, the  
11 Temporary Receiver has continued its on-site management and has employed  
12 certain of the loan modification processing staff to continue to contact customers,  
13 foreclosure trustees and lenders to try to help customers postpone foreclosure sales  
14 or to provide information from the customer files to the customers to allow them to  
15 deal directly with their lenders or others to try to manage and delay the foreclosure  
16 process.

17           From the outset of the receivership, the Temporary Receiver's members and  
18 staff have also communicated with hundreds of current and former customers of the  
19 Receivership Defendants. The Temporary Receiver issued communications on the  
20 company answering machine and on the internet through postings on its web site  
21 for the case. The Temporary Receiver and its personnel have also contacted  
22 customers whose foreclosure sales were scheduled in the near term after its initial  
23 appointment and has responded to hundreds of customer calls inquiring regarding  
24 the status of their matters. These calls have required the Temporary Receiver's  
25 members and staff to locate customer files, review those files, investigate notes in  
26 the SX-3 database and sometimes communicate with former employees of the  
27 Receivership Defendants to provide information to the customers regarding their  
28 matters. This process has continued throughout the receivership.

1 In particular, the Temporary Receiver's staff has created and maintained  
2 current spreadsheets of approximately 224 customers as to which the SX-3 database  
3 or other documents indicated pending foreclosure sale dates or as to which the  
4 Temporary Receiver located files or documents in the Receivership Defendants'  
5 offices indicating that a notice of default may have been recorded and therefore  
6 there was a risk of a foreclosure sale being set. As to those approximately 224  
7 customers in question, the Temporary Receiver's staff and certain former  
8 processors of the Receivership Defendants working under the Temporary  
9 Receiver's supervision made calls to the customers, the lenders and/or the  
10 foreclosure trustees to notify them of the issuance of the TRO and the imposition of  
11 the receivership and to request that any foreclosure sales set to occur imminently be  
12 postponed in light of the TRO and receivership. In light of the TRO and  
13 receivership over the Receivership Defendants' businesses, many customers  
14 assumed responsibility for their files and for any further communications with their  
15 lenders and the foreclosure trustees regarding their loans and any foreclosure sales.  
16 The Temporary Receiver was able to postpone almost 40 foreclosure sales, was  
17 able to determine that no sales had been set in approximately 95 additional  
18 customer files for various reasons and was able to contact most of the 224  
19 customers to provide them with information concerning the receivership, the TRO  
20 and the status of their files so that they could pursue alternatives to deal with their  
21 lenders.

22 During the Initial Expense Period, the Temporary Receiver's staff addressed  
23 almost 1,000 communications from customers and clients of the Receivership  
24 Defendants. These communications are discussed in the Temporary Receiver's  
25 Second Supplemental Report filed with the Court on September 11, 2012. Many of  
26 these communications were from customers who expressed complaints and  
27 dissatisfaction with the services they received from the Receivership Defendants.  
28 Specifically, the Temporary Receiver answered and responded to approximately

1 700 telephone calls, and read and responded to approximately 260 e-mailed letters  
2 and approximately another 50 letters sent by facsimile. The Temporary Receiver  
3 also analyzed information forwarded from the CFPB about its conversations with  
4 consumers listed as “Successful Completions” in the Temporary Receiver’s Report.  
5 The Temporary Receiver’s members and staff considered the information provided  
6 by consumers to the CFPB, and in light of that information, the Temporary  
7 Receiver also made direct contact with a sampling of consumers from the 358  
8 consumers labeled with having a successful Trial Modification and the 439  
9 consumers labeled with having a successful Modification based on the Receivership  
10 Defendants’ Closing Count schedule. The Temporary Receiver has modified its  
11 conclusions expressed in its initial Temporary Receiver’s Report based on the body  
12 of additional data obtained and communications with customers since July 31,  
13 2012, and has concluded the number of successful loan modifications is likely  
14 substantially lower than initially estimated, as set forth in its Second Supplemental  
15 Report.

16 **C. Lack of Cooperation and Threats by Gordon to the Temporary**  
17 **Receiver and Counsel**

18 Gordon’s aggressive and uncooperative response to the Temporary Receiver  
19 as the Temporary Receiver has attempted to perform its powers and duties under  
20 the TRO have required the involvement of the Temporary Receiver’s counsel to  
21 make various demands on Gordon and his counsel. The Temporary Receiver has  
22 had to respond to various demands and claims by Gordon concerning his access to  
23 files, access to the office premises and the information provided by the Temporary  
24 Receiver to customers explaining the fact that the TRO was issued and its impact  
25 on the business of the Receivership Defendants. The Temporary Receiver’s  
26 attempts to protect and preserve the records and files of the receivership and to  
27 communicate with customers regarding the status of the receivership have been met  
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1 with threats and demands by Gordon continually attacking the Temporary Receiver  
2 and its counsel to which counsel has responded.

3 Since the inception of the receivership, the Temporary Receiver has also  
4 monitored postings by Gordon on Facebook which have attacked the CFPB, its  
5 counsel, the Temporary Receiver and its counsel. The postings have included  
6 urging the Receivership Defendants' employees to go to the Temporary Receiver's  
7 offices. The Temporary Receiver found a handgun at the Receivership Defendants'  
8 offices when it first entered the premises, and one of the Facebook postings  
9 included a photograph of Gordon with a shotgun or rifle. Based on Gordon's  
10 shoving of one of the Temporary Receiver's staff, the implicit and explicit threats  
11 through the Facebook postings and e-mails from Gordon, and demands and disputes  
12 by Gordon concerning his right to access to the premises and the Receivership  
13 Defendants' files, the Temporary Receiver deemed it necessary to provide for  
14 armed security to secure the offices for a limited period of time.

15 During the initial period after commencement of the receivership, the  
16 Temporary Receiver and counsel responded to demands by Gordon for him and his  
17 personnel to be allowed access to the offices for them to supposedly service their  
18 homeowner customers and for him to provide legal services to his clients. The  
19 Temporary Receiver and counsel, for example, participated in conference calls and  
20 discussions over a weekend to try to respond to Gordon's demands and to strike a  
21 balance between the concern for security and preservation of records while  
22 accommodating Gordon's stated concerns for his customers and clients.  
23 Ultimately, after numerous oral and written communications over that weekend,  
24 Gordon identified for the Temporary Receiver certain personnel of the Receivership  
25 Defendants who he requested be allowed to come to the premises to continue to  
26 service customer files on a specific date and time. Certain of the identified  
27 personnel worked under the Temporary Receiver's supervision to address the  
28 pending foreclosure sales and customer questions.

1 Gordon has made subsequent, sporadic demands for access to his offices and  
2 legal files purportedly for him to provide legal services to clients since the  
3 receivership began. Counsel for the Temporary Receiver has assisted in evaluating  
4 these demands and in responding to the demands, including requesting specific  
5 information from Gordon as to the dates and times when he sought entry on the  
6 premises and the files he needed. In response to one of these demands, the  
7 Temporary Receiver and Gordon met to respond to his requests, allowed him to  
8 access the business premises in a meeting with the Temporary Receiver's members,  
9 turned over his computer to him and addressed his request for specific legal files.

10 On August 7, 2012, the Temporary Receiver filed a Supplemental Report of  
11 the Temporary Receiver, which brought to the Court's attention another implied  
12 threat and attempted intimidation by Gordon in an e-mail by which Gordon  
13 disclosed his apparent investigation of residence addresses and other personal  
14 information concerning the President and Chief Operating Officer of the Temporary  
15 Receiver and one of the Temporary Receiver's attorneys. *See* Doc. Nos. 32-34).  
16 As noted in the Supplemental Report, based on Gordon's position that he is  
17 providing bona fide legal services, the Temporary Receiver and counsel believed it  
18 was appropriate to inform the Court of Gordon's volatile and unprofessional  
19 behavior. Gordon has also made repeated threats to file suit against the Temporary  
20 Receiver and has attempted to incite his customers to file such suits.

21 The Temporary Receiver with counsel have also evaluated Gordon's  
22 compliance or non-compliance with the TRO based on his conduct. Gordon has  
23 issued a written communication to former customers to solicit funds to perform  
24 loan modification work in violation of the provisions of the TRO, a subject  
25 addressed in a demand letter by the CFPB to Gordon.

26 Further, Gordon recently issued another threat on his Facebook page aimed at  
27 intimidating the Temporary Receiver and its attorneys. As set forth in the  
28 Declaration of Brick Kane and Exhibit 4 thereto, Gordon recently made a new

1 posting to his Facebook page in which he threatens to disclose the personal  
2 residence address information of two of the Temporary Receiver's members and  
3 counsel Gary Caris as an apparent litigation tactic.

4 **D. Ex Parte Application by Gordon for Release of Receivership**

5 **Funds and Responses**

6 The duties of the Temporary Receiver under the TRO include the duty to  
7 conserve and hold the assets of the Receivership Defendants and preserve the value  
8 of those assets, among other powers and duties. TRO, Section XIV.D. Since its  
9 appointment, Mr. Gordon and his counsel have communicated with the Temporary  
10 Receiver and its counsel. However, neither the Temporary Receiver nor its counsel  
11 were served with the Ex Parte Application.

12 The Ex Parte Application sought release of funds of the Receivership  
13 Defendants in the Temporary Receiver's custody and control, including \$25,000 for  
14 payment of legal fees for Gordon and The Gordon Law Firm, P.C. and \$10,000  
15 each month during the pendency of the receivership for "living expenses" of  
16 Gordon. The CFPB and the Temporary Receiver, with the assistance of counsel,  
17 each opposed the Ex Parte Application on various grounds, including Gordon's lack  
18 of compliance with the TRO provision requiring him to submit a written financial  
19 statement disclosing his assets and liabilities. The Court denied the relief sought by  
20 Gordon but modified the asset freeze to authorize him to use \$2,500 for living  
21 expenses.

22 **E. Additional Services of the Temporary Receiver and Counsel**

23 Since the Temporary Receiver's appointment, the Temporary Receiver and  
24 its counsel have also received notice of a number of lawsuits filed against Gordon  
25 and certain of the Receivership Defendants. There have been a number of instances  
26 in which process servers have attempted to serve lawsuits on the Temporary  
27 Receiver's staff at the Receivership Defendants' premises, and the Temporary  
28 Receiver's staff have documented the attempted service without accepting service.



1 As to lawsuits that are pending or recently filed against the Receivership  
2 Defendants, those lawsuits have generally been filed by customers or apparent  
3 unpaid vendors where the plaintiff is typically represented by counsel. Therefore,  
4 counsel for the Temporary Receiver has contacted those plaintiffs' attorneys to  
5 advise them of the pending receivership, provide them with a copy of the TRO, and  
6 explain the effect of the stay provisions of the TRO. In all instances to date, the  
7 plaintiffs who have filed suit and who have communicated with counsel for the  
8 Temporary Receiver have acknowledged their actions are stayed and have agreed  
9 not to take further steps in the litigation pending the Court's decision on the  
10 preliminary injunction.

11 **III. THE FEES AND EXPENSES OF THE TEMPORARY RECEIVER**  
12 **AND ITS PROFESSIONALS SHOULD BE APPROVED**

13 It is a fundamental tenet of receivership law that expenses of administration  
14 incurred by the receiver, including those of the receiver, its counsel and others  
15 employed by the receiver, constitute priority expenses for which compensation  
16 should be paid from the assets of the receivership. As explained in the leading  
17 treatise *Clark on Receivers*:

18 The obligations and expenses which the court creates in  
19 its administration of the property are necessarily burdens  
20 on the property taken possession of, and this, irrespective  
21 of the question who may be the ultimate owner, or who  
22 may have the preferred lien, or who may invoke the  
23 receivership. The appointing court pledges its good faith  
24 that all duly authorized obligations incurred during the  
25 receivership shall be paid.

26 2 Clark, Ralph Ewing, *A Treatise on the Law and Practice of Receivers* § 637, p.  
27 1052 (3<sup>rd</sup> ed. 1992).

1 The motion establishes that the Temporary Receiver, its members, staff and  
2 counsel rendered extensive services during the Initial Expense Period and that the  
3 fees and expenses are reasonable given the nature and extent of the services  
4 rendered. *See Federal Trade Commission v. Capital Acquisitions & Management*  
5 *Corp.*, 2005 U.S. Dist. LEXIS 18504 (N.D. Ill. August 26, 2005). The fees and  
6 expenses of the Temporary Receiver and counsel cover a period in which the  
7 Temporary Receiver's members and staff were required to collect, preserve and  
8 review thousands of pages of customer files, business records and financial records,  
9 to locate and contact dozens of foreclosure trustees, lenders and customers where  
10 foreclosure sales were imminent and more recently to address and respond to  
11 hundreds of customer inquiries. The Temporary Receiver's IT staff had to take  
12 possession of and preserve electronic records from dozens of computers. The  
13 Temporary Receiver and its counsel had to address an extremely volatile and  
14 hostile defendant, respond to his claims, demands and threats and monitor his  
15 activities in his internet communications which included implied and express  
16 threats and communications to the CFPB, Temporary Receiver and counsel to  
17 evaluate their possible impact on the receivership. The period covered included the  
18 filing of an extensive, detailed Temporary Receiver's Report with supporting  
19 documents and a financial summary as well as a Supplemental Report and an  
20 opposition to an ex parte application to release receivership estate funds. Given the  
21 nature and extent of the services rendered by the Temporary Receiver and its  
22 counsel, the fees and expenses incurred are reasonable and should be approved.

23 **IV. NOTICE OF THIS MOTION IS SUFFICIENT UNDER THE**  
24 **CIRCUMSTANCES AND SHOULD BE APPROVED**

25 Local Civil Rule 66-7(f) provides for service of notice of the hearing on a  
26 motion for approval of fees and expenses of a receiver on all known creditors of the  
27 receivership estate. In this case, there are an unknown number of potential  
28 consumer creditors that could number as many as 3,000 based on current and

1 former customers of the Receivership Defendants. While there may be as many as  
2 3,000 possible consumer creditors of the Receivership Defendants who may have  
3 claims arising out of the business operations of the Receivership Defendants prior  
4 to the Temporary Receiver's appointment, the precise number, identity and location  
5 of such consumer creditors has not been determined by the Temporary Receiver at  
6 this time. It is not realistically possible or beneficial to the estate and its creditors  
7 for the Temporary Receiver to attempt to identify and serve the potential consumer  
8 creditors with notice of this motion at this time particularly given its status as  
9 Temporary Receiver, and the expense and burden on the estate of attempting to  
10 effectuate such service would drain the estate's resources and cause undue  
11 administrative expense.

12 Based on the foregoing, the Temporary Receiver seeks an order providing  
13 that the notice requirement shall be deemed satisfied if notice of the filing of the  
14 Motion is given by serving copies of all motion papers on the parties to the action  
15 and by serving copies of the notice of hearing on the motion on all known non-  
16 consumer creditors of the receivership estate, such as vendors, taxing authorities  
17 and other similar creditors disclosed on the Receivership Defendants' books and  
18 records. The Temporary Receiver submits that such service provides sufficient  
19 notice and an opportunity for hearing to the interested parties and should be  
20 approved as adequate. The Court's authority, as a court of equity supervising a  
21 federal equity receivership, to issue such an administrative order approving this  
22 form of notice is supported by the provisions of the Federal Rules of Civil  
23 Procedure which grant the Court discretion regarding the notice to be provided of  
24 proceedings and by analogy to bankruptcy proceedings. *See* F.R. Civ. P. 5(a) and  
25 (c) (authorizing the court to modify service procedures when numerous defendants  
26 are involved in litigation); Local Civil Rule 66-8 (receiver to administer  
27 receivership estates "as nearly as possible in accordance with the practice in the  
28 administration of estates in bankruptcy"); *In re First Alliance Mortgage Co.*, 269

1 B.R. 428, 442 (C.D. Cal. 2001) (referencing in *dicta* in the court's recitation of facts  
2 the bankruptcy court's order limiting notice issued in that case); 11 U.S.C. section  
3 102(1)(A) (defining the phrase "after notice and a hearing" to mean "after such  
4 notice as is appropriate in the particular circumstances, and such opportunity for  
5 hearing as is appropriate in the particular circumstances"); 11 U.S.C. section 105(a)  
6 and (d) (granting broad equitable powers to the court to issue orders "necessary or  
7 appropriate to carry out the provisions" of title 11 including "prescribing such  
8 limitations and conditions as the court deems appropriate to ensure the case is  
9 handled expeditiously and economically"); and F. R. Bankr. P. 2002(m)  
10 (authorizing the court to enter "orders designating the matters in respect to which,  
11 the entity to whom, and the form and manner in which notices shall be sent except  
12 as otherwise provided by these rules").

13 **V. CONCLUSION**

14 For the foregoing reasons, it is respectfully requested that the Court grant  
15 relief as requested in the Motion.

16  
17 Dated: September 20, 2012

MCKENNA LONG & ALDRIDGE LLP  
GARY OWEN CARIS  
LESLEY ANNE HAWES

18  
19  
20 By: /s/Gary Owen Caris

Gary Owen Caris  
Attorneys for Temporary Receiver  
**ROBB EVANS & ASSOCIATES**  
**LLC**

**DECLARATION OF GARY OWEN CARIS**

I, Gary Owen Caris, declare:

1. I am an attorney at law duly admitted to practice before the courts of the State of California and before the United States District Court for the Central District of California and am a member of the firm of McKenna Long & Aldridge LLP (“McKenna Firm”), the attorneys for the Temporary Receiver Robb Evans & Associates LLC (“Temporary Receiver”) in this case. I have personal knowledge of the matters set forth in this declaration, and if I were called upon to testify as to these matters, I could and would competently testify based upon my personal knowledge.

2. I am the attorney primarily responsible for the representation of the Temporary Receiver in this case. The Receiver has incurred legal fees in the sum of \$26,838.45 and expenses of \$325.26 in connection with the services rendered to the Temporary Receiver by the McKenna Firm from the inception of the receivership through and including August 31, 2012 comprising the Initial Expense Period. True and correct copies of the McKenna Firm’s redacted billing statements for the period from the inception of the receivership through August 31, 2012 are attached hereto collectively as Exhibit 1. The time records, as well as the time records of the Temporary Receiver and its staff, have been redacted by my firm where appropriate to preserve descriptions containing confidential, tactical, strategic, attorney-client privileged and/or attorney work-product information.

3. The TRO appointed Robb Evans & Associates LLC as Temporary Receiver over the Receivership Defendants, imposed an asset freeze and on the assets of the individual defendants, and set a hearing on the application for a preliminary injunction by plaintiff Consumer Finance Protection Bureau (“CFPB”) for August 1, 2012. The CFPB and the defendants subsequently reached a stipulation by which the defendants were granted additional time to file their opposition to the request for a preliminary injunction and the CFPB’s reply

1 deadline also extended, the hearing set on the request for the preliminary injunction  
2 was taken off-calendar and the TRO was extended to the date on which the Court  
3 rules on the preliminary injunction request. Defendants Chance Gordon and The  
4 Gordon Law Firm filed an opposition to the preliminary injunction, and the CFPB  
5 filed a reply.

6 4. The CFPB has entered into a stipulation for entry of a preliminary  
7 injunction (“Proposed Pessar Preliminary Injunction”) as to defendant Pessar and  
8 Receivership Defendants Division One Investment and Loan, Inc. and Processing  
9 Division, L.L.C., and their successors, assigns, affiliates and subsidiaries (“Pessar  
10 Receivership Defendants”) which was filed on August 29, 2012. Court approval of  
11 the stipulation for entry of a preliminary injunction against the Pessar Receivership  
12 Defendants is pending, and Gordon and The Gordon Law Firm have filed  
13 objections to the Proposed Pessar Preliminary Injunction. The CFPB’s request for  
14 a preliminary injunction as to the remaining defendants has been fully briefed and is  
15 also pending determination by the Court.

16 5. During the Initial Expense Period, Gordon’s aggressive and  
17 uncooperative response to the Temporary Receiver as the Temporary Receiver has  
18 attempted to perform its powers and duties under the TRO have required the  
19 involvement of the Temporary Receiver’s counsel to make various demands on  
20 Gordon and his counsel. The McKenna Firm has assisted the Temporary Receiver  
21 in evaluating and responding to various demands and claims by Gordon concerning  
22 his access to files, access to the office premises and the information provided by the  
23 Temporary Receiver to customers explaining the fact that the TRO was issued and  
24 its impact on the business of the Receivership Defendants. The Temporary  
25 Receiver’s attempts to protect and preserve the records and files of the receivership  
26 and to communicate with customers the status of the receivership have been met  
27 with threats and demands by Gordon attacking the Temporary Receiver and his  
28

1 conduct to which the McKenna Firm has responded on behalf of the Temporary  
2 Receiver.

3 5. The McKenna Firm assisted the Temporary Receiver in reviewing the  
4 Temporary Receiver's Report prior to filing and in filing that report on August 2,  
5 2012. On August 7, 2012, the McKenna Firm prepared and filed a Supplemental  
6 Report by the Temporary Receiver. The Supplemental Report (Doc. Nos. 32-34)  
7 apprised the Court of a threatening e-mail by Gordon apparently aimed at  
8 intimidating the Temporary Receiver and its counsel. The e-mail indicated that  
9 Gordon had been investigating the personal residence addresses of the Temporary  
10 Receiver's President and Chief Operating Officer and me and threatened to file suit  
11 and record lis pendens on those properties. As noted in the Supplemental Report,  
12 based on Gordon's position that he is providing bona fide legal services, the  
13 Temporary Receiver and counsel believed it was appropriate to inform the Court of  
14 Gordon's volatile and unprofessional behavior.

15 7. During this Initial Expense Period, Gordon also filed an Ex Parte  
16 Application seeking release of funds of the Receivership Defendants in the  
17 Temporary Receiver's custody and control, including \$25,000 for payment of legal  
18 fees for Gordon and The Gordon Law Firm, P.C. and \$10,000 each month during  
19 the pendency of the receivership for "living expenses" of Gordon. The CFPB and  
20 the McKenna Firm on behalf of the Temporary Receiver each opposed the Ex Parte  
21 Application on various grounds, including Gordon's lack of compliance with the  
22 TRO provision requiring him to submit a written financial statement disclosing his  
23 assets and liabilities. The Court denied the relief sought by Gordon but modified  
24 the asset freeze to authorize him to use \$2,500 for living expenses.

25 8. As to lawsuits that are pending or recently filed against the  
26 Receivership Defendants, those lawsuits have generally been filed by customers or  
27 apparent unpaid vendors where the plaintiff is typically represented by counsel.  
28 Therefore, counsel for the Temporary Receiver has contacted those plaintiffs'

1 attorneys to advise them of the pending receivership, provide them with a copy of  
2 the TRO, and explain the effect of the stay provisions of the TRO. In all instances  
3 to date, the plaintiffs who have filed suit and who have communicated with counsel  
4 for the Temporary Receiver have acknowledged their actions are stayed and have  
5 agreed not to take further steps in the litigation pending the Court's decision on the  
6 preliminary injunction.

7 9. I am familiar with the billing practices and procedures of the McKenna  
8 Firm and the attorneys, paralegals and other professionals whose services are billed  
9 by the McKenna Firm to its clients. The billing statements are prepared in the  
10 ordinary course of business by the McKenna Firm's accounting department from  
11 time records regularly input and updated by attorneys, paralegals and other  
12 professionals rendering services to clients. I review the draft "pro-formas" that are  
13 generated from the time entries and the final billing statements for my clients. I  
14 find that the billing statements accurately reflect the time entries regularly made by  
15 professionals at the McKenna Firm and the services rendered and expenses incurred  
16 in connection with the McKenna Firm's representation of its clients.

17 10. I have practiced law in the State of California for over 32 years and  
18 have specialized in the representation of federal equity receivers in civil  
19 enforcement actions filed by the Federal Trade Commission and the Securities and  
20 Exchange Commission for more than 13 years. I am familiar with the billing rates  
21 charged by attorneys in the Southern California area and believe the rates charged  
22 by the McKenna Firm in this matter and the fees and expenses requested for the  
23 Initial Expense Period are fair and reasonable given the nature of the services  
24 rendered, the time expended, the expertise of the attorneys and others performing  
25 services in this matter, the rates charged by other firms and attorneys in the  
26 Southern California area and other factors. The billing rates charged by my firm in  
27 this case are discounted by 10% from the regular rates charged to general firm  
28 clients by the attorneys who are performing services on this file.



1 I declare under penalty of perjury that the foregoing is true and correct and  
2 that this declaration was executed on September 20, 2012 at Los Angeles,  
3 California.

4  
5 /s/ Gary Owen Caris  
6 GARY OWEN CARIS  
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6 Attorneys for Temporary Receiver  
**ROBB EVANS & ASSOCIATES LLC**  
7

8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**

10  
11 CONSUMER FINANCIAL  
PROTECTION BUREAU,  
12  
13 Plaintiff,  
14 v.  
15 CHANCE EDWARD GORDON,  
*et al.*  
16 Defendants.

CASE NO. 12CV 06147-RSWL(MRWx)

**DECLARATION OF BRICK KANE  
IN SUPPORT OF MOTION FOR  
APPROVAL AND PAYMENT OF  
FEES AND EXPENSES OF  
TEMPORARY RECEIVER AND ITS  
PROFESSIONALS INCURRED  
FROM INCEPTION OF THE  
RECEIVERSHIP THROUGH  
AUGUST 31, 2012, AND FOR ORDER  
LIMITING NOTICE UNDER LOCAL  
CIVIL RULE 66-7**

Date: October 23, 2012  
Time: 10:00 a.m.  
Place: Courtroom 21

17  
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20  
21 I, Brick Kane, declare:

22 1. I am the President and Chief Operating Officer of Robb Evans &  
23 Associates LLC which has been appointed as the Temporary Receiver for The  
24 Gordon Law Firm P.C., Division One Investment and Loan, Inc., and Processing  
25 Division, L.L.C., and their successors, assigns, affiliates and subsidiaries  
26 (“Receivership Defendants”) pursuant to the Court’s Ex Parte Temporary  
27 Restraining Order with Asset Freeze, Appointment of Temporary Receiver,  
28 Expedited Discovery, and Other Equitable Relief and Order to Show Cause Why

1 Preliminary Injunction Should Not Issue entered July 18, 2012 (“TRO”). I have  
2 personal knowledge of the matters set forth in this declaration or have gained  
3 knowledge of these matters based upon my supervision of other members and staff  
4 of Robb Evans & Associates LLC involved in the day to day management of this  
5 receivership estate. If called upon to testify as to these matters, I could and would  
6 competently testify thereto.

7       2. This motion is the Temporary Receiver’s first motion for approval and  
8 payment of the fees and expenses of the Temporary Receiver and its counsel and  
9 covers the period from the inception of the receivership through and including  
10 August 31, 2012. The motion seeks approval and payment of the Temporary  
11 Receiver’s fees incurred during the Initial Expense Period of \$219,772.69 and costs  
12 of \$7,989.40. The Temporary Receiver’s fees include the Receiver’s fees for  
13 services of its members of \$97,100.10, senior and accounting staff of \$94,807.55,  
14 IT Management staff of \$13,419.00, and support staff of \$14,446.04. The motion  
15 also seeks approval and payment of the Temporary Receiver’s attorneys’ fees of  
16 \$26,838.45 and costs of \$325.26 incurred to its counsel, McKenna Long &  
17 Aldridge LLP. The total Temporary Receiver’s and legal fees and costs incurred in  
18 the Initial Expense Period of \$254,925.80. The receipts and disbursements from  
19 the estate, and the fees and expenses of the Receiver and its counsel incurred in the  
20 Initial Expense Period are summarized in the Receivership Administrative  
21 Expenses and Fund Balance by Month attached hereto as Exhibit 1 True and correct  
22 copies of the Temporary Receiver’s redacted time records for the periods of July  
23 2012 and August 2012 are attached hereto as Exhibits 2 and 3, respectively.

24       3. On August 2, 2012, the Temporary Receiver filed its Report of  
25 Temporary Receiver’s Activities July 19, 2012 Through July 30, 2012 (“Temporary  
26 Receiver’s Report”) (Doc. No 28) which summarizes the Temporary Receiver’s  
27 activities during the period of that report and the Temporary Receiver’s initial  
28 findings regarding the Receivership Defendants’ businesses and their ability to

1 operate lawfully and profitably. As reflected in the Temporary Receiver's Report,  
2 the Temporary Receiver's immediate activities after its appointment focused on  
3 taking possession and control of the business premises of the Receivership  
4 Defendants, which included ten separate office suites, and of the business records  
5 and files of the businesses.

6 4. When the Temporary Receiver entered the business premises, it found  
7 approximately 55 employees present. Of those 55 employees, only three agreed to  
8 cooperate with the Temporary Receiver's members and staff. Defendant Gordon  
9 has also been uncooperative with the Temporary Receiver, including physically  
10 pushing and shoving a deputy to the Temporary Receiver on the date of the  
11 Temporary Receiver's initial entry, and issuing a series of angry and threatening  
12 postings on Facebook, addressed in the Temporary Receiver's Report.

13 5. During the first twelve days after the Temporary Receiver's  
14 appointment, the Temporary Receiver performed a preliminary analysis of the sales  
15 and marketing activities, business operations and activities of the Receivership  
16 Defendants. In analyzing the sales and marketing operations of the Receivership  
17 Defendants, the Temporary Receiver's members and staff reviewed and evaluated  
18 marketing guides, sales scripts, handbooks and other materials, and met with those  
19 employees of the Receivership Defendants who cooperated with the Temporary  
20 Receiver. These materials included written summaries of weekly Friday staff  
21 meetings for the period from November 2010 through July 13, 2012. The materials  
22 included instructions to the Receivership Defendants' staff regarding how they  
23 were to identify and describe the company in sales calls, what bank account and  
24 financial information to obtain from the consumer, and other directions regarding  
25 marketing the Receivership Defendants' services to consumers. The Temporary  
26 Receiver reviewed the documents included in the "Pre-Litigation Monetary Claims  
27 Program" and the "Attorney/Client Pro Bono Legal Agreement" that were offered  
28 to customers of the company and the customer files to determine the documents

1 actually provided to customers of the Receivership Defendants in connection with  
2 these programs and the fees charged.

3 6. The legal processing department of the companies handled the loan  
4 modification attempts. The Receivership Defendants records included a database of  
5 customer file information, known as the SX-3 database. The Temporary Receiver  
6 and its members and staff analyzed information from that database and compared  
7 the information to other information concerning the status of the files listed as  
8 active in that database. As the Temporary Receiver's Report describes, the  
9 companies' database listed 2,304 "active" cases. The Temporary Receiver's  
10 members and staff reviewed the list of files, determined approximately 52 were  
11 duplicates and that many of the files listed as active were actually closed or  
12 inactive. Ultimately the Temporary Receiver concluded there were approximately  
13 828 active files open, approximately 1,476 less than the database indicated.

14 7. The Temporary Receiver also observed and reviewed separate  
15 calendars and schedules prepared by the Receivership Defendants' staff that were  
16 posted to walls and cubicles which were apparently maintained by individual  
17 employees. In addition, the Temporary Receiver reviewed a monthly Excel  
18 spreadsheet maintained by the manager of the legal processing section called the  
19 "Closing Count" which described the outcome of the closed files. Based on the  
20 Temporary Receiver's analysis of the database, the Closing Count spreadsheets,  
21 other materials and a random sampling of the Receivership Defendants' consumer  
22 files, the Temporary Receiver categorized the data available regarding the closed  
23 files in subcategories of "successful completions" and "unsuccessful completions."  
24 The results of the Temporary Receiver's preliminary analysis from the first 12 days  
25 of its review are included in the Temporary Receiver's Report.

26 8. The Temporary Receiver also evaluated more than 100 customer  
27 complaints regarding the Receivership Defendants, including complaints filed with  
28 the California State Bar, the Los Angeles Better Business Bureau, complaints

1 located in the files in the Receivership Defendants' offices, written inquiries from  
2 state agencies, including four out-of-state agencies, and various lawsuits filed by  
3 customers against the Receivership Defendants. During the period following the  
4 filing of the Temporary Receiver's Report, the Receiver has continued to review  
5 and analyze the data and files of the Receivership Defendants' and the loan  
6 modification business. The Temporary Receiver has been contacted by and has  
7 responded to hundreds of customer calls with inquiries and complaints about the  
8 handling of their matters. The Temporary Receiver has received notice of lawsuits  
9 filed by certain former customers against Gordon, The Gordon Law Firm or other  
10 related Receivership Defendants. The Temporary Receiver has since revised its  
11 analysis of the successful and unsuccessful closing files based on numerous  
12 communications with customers of the Receivership Defendants and further  
13 available data on the closed files, and on September 13, 2012, filed a Second  
14 Supplemental Report revising downward its conclusions regarding the likely  
15 success rate for the loan modifications attempted by the Receivership Defendants.

16 9. The Temporary Receiver's analysis of the Receivership Defendants'  
17 business also included a financial analysis by a certified public accountant who is a  
18 member of its staff. The Temporary Receiver's deputy specifically reviewed the 14  
19 separate Quickbooks files for seven different entities to prepare a preliminary  
20 schedule of intercompany transactions and preliminary financial summary of the  
21 receipts, expenses and other disbursements of the entities. The financial records  
22 reviewed covered the time frame of January 2010 to July 2012, except for those  
23 entities which began operating after January 2010. For those entities, the  
24 Temporary Receiver's accounting staff reviewed the accounting records available  
25 from the inception of operations for that entity to July 2012. After filing its  
26 preliminary financial analysis with its Temporary Receiver's Report, the  
27 Temporary Receiver's accounting staff have continued to analyze the specific line  
28 item expenses, intercompany transfers and transfers to insiders. The Temporary

1 Receiver noted discrepancies between the Quickbooks records and the cash on hand  
2 and other financial records, and defendant Michael Pessar (“Pessar”) conceded the  
3 Quickbooks records are not accurate. The Temporary Receiver is therefore  
4 continuing its analysis of the Receivership Defendants’ financial transactions  
5 through source banking records.

6 10. The Temporary Receiver’s personnel communicated with available  
7 staff of the Receivership Defendants and reviewed files and other materials  
8 available to try to determine the status and timing of upcoming foreclosure sales  
9 and pending open customer files. Members of the Temporary Receiver’s staff  
10 immediately took steps to contact the foreclosure trustees and lenders where  
11 foreclosure sales were scheduled in the immediate future to try to postpone those  
12 sales in light of the Temporary Receiver’s appointment and the substantially  
13 reduced business operations of the Receivership Defendants. As the TRO has been  
14 extended, the Temporary Receiver has employed certain of the loan modification  
15 processing staff to continue to contact customers, foreclosure trustees and lenders to  
16 try to help customers postpone foreclosure sales or to provide information from the  
17 customer files to the customers to allow them to deal directly with their lenders or  
18 others to try to manage and delay the foreclosure process.

19 11. From the outset of the receivership, the Temporary Receiver’s  
20 members and staff have also communicated with hundreds of current and former  
21 customers of the Receivership Defendants. The Temporary Receiver issued  
22 communications on the company answering machine and on the internet through  
23 postings on its web site for the case. The Temporary Receiver and its personnel  
24 have also contacted customers whose foreclosure sales were scheduled in the near  
25 term after its initial appointment and has responded to hundreds of customer calls  
26 inquiring regarding the status of their matters. These calls have required the  
27 Temporary Receiver’s members and staff to locate customer files, review those  
28 files, investigate notes in the SX-3 database and sometimes communicate with

1 former employees of the Receivership Defendants to provide information to the  
2 customers regarding their matters. This process has continued throughout the  
3 receivership.

4 12. In particular, the Temporary Receiver's staff has created and  
5 maintained current spreadsheets of approximately 224 customers as to which the  
6 SX-3 database or other documents indicated pending foreclosure sale dates or as to  
7 which the Temporary Receiver located files or documents in the Receivership  
8 Defendants' offices indicating that a notice of default may have been recorded and  
9 therefore there was a risk of a foreclosure sale being set. As to those approximately  
10 224 customers in question, the Temporary Receiver's staff and certain former  
11 processors of the Receivership Defendants working under the Temporary  
12 Receiver's supervision made calls to the customers, the lenders and/or the  
13 foreclosure trustees to notify them of the issuance of the TRO and the imposition of  
14 the receivership and to request that any foreclosure sales set to occur imminently be  
15 postponed in light of the TRO and receivership. In light of the TRO and  
16 receivership over the Receivership Defendants' businesses, many customers  
17 assumed responsibility for their files and for any further communications with their  
18 lenders and the foreclosure trustees regarding their loans and any foreclosure sales.  
19 The Temporary Receiver was able to postpone almost 40 foreclosure sales, was  
20 able to determine that no sales had been set in approximately 95 additional  
21 customer files for various reasons and was able to contact most of the 224  
22 customers to provide them with information concerning the receivership, the TRO  
23 and the status of their files so that they could pursue alternatives to deal with their  
24 lenders.

25 13. During the Initial Expense Period, the Temporary Receiver's staff  
26 addressed almost 1,000 communications from customers and clients of the  
27 Receivership Defendants. These communications are discussed in the Temporary  
28 Receiver's Second Supplemental Report filed with the Court on September 11,



1 2012. Many of these communications were from customers who expressed  
2 complaints and dissatisfaction with the services they received from the  
3 Receivership Defendants. Specifically, the Temporary Receiver answered and  
4 responded to approximately 700 telephone calls, and read and responded to  
5 approximately 260 e-mailed letters and approximately another 50 letters sent by  
6 facsimile. The Temporary Receiver also analyzed information forwarded from the  
7 CFPB about its conversations with consumers listed as “Successful Completions”  
8 in the Temporary Receiver’s Report. The Temporary Receiver’s members and staff  
9 considered the information provided by consumers to the CFPB, and in light of that  
10 information, the Temporary Receiver also made direct contact with a sampling of  
11 consumers from the 358 consumers labeled with having a successful Trial  
12 Modification and the 439 consumers labeled with having a successful Modification  
13 based on the Receivership Defendants’ Closing Count schedule. The Temporary  
14 Receiver has modified its conclusions expressed in its initial Temporary Receiver’s  
15 Report based on the body of additional data obtained and communications with  
16 customers since July 31, 2012, and has concluded the number of successful loan  
17 modifications is likely substantially lower than initially estimated, as set forth in its  
18 Second Supplemental Report.

19 14. Gordon has taken an aggressive and uncooperative attitude toward the  
20 Temporary Receiver as the Temporary Receiver has attempted to perform its  
21 powers and duties under the TRO. The Temporary Receiver has obtained the  
22 assistance of its counsel to address Gordon and his counsel in response.

23 15. Since the inception of the receivership, the Temporary Receiver has  
24 also monitored postings by Gordon on Facebook which have attacked the CFPB, its  
25 counsel, the Temporary Receiver and its counsel. The postings have included a  
26 posting urging the Receivership Defendants’ employees to go to the Temporary  
27 Receiver’s offices. The Temporary Receiver found a handgun at the Receivership  
28 Defendants’ offices when it first entered the premises, and one of the Facebook

1 postings included a photograph of Gordon with a shotgun or rifle. Based on  
2 Gordon's shoving of one of the Temporary Receiver's staff, the implicit and  
3 explicit threats through the Facebook postings and e-mails from Gordon, and  
4 demands and disputes by Gordon concerning his right to access to the premises and  
5 the Receivership Defendants' files, the Temporary Receiver deemed it necessary to  
6 provide for armed security to secure the offices for a limited period of time.

7 16. During the initial period after commencement of the receivership, the  
8 Temporary Receiver and counsel responded to demands by Gordon for him and his  
9 personnel to be allowed access to the offices for them to supposedly service their  
10 homeowner customers and for him to provide legal services to his clients. The  
11 Temporary Receiver and counsel, for example, participated in conference calls and  
12 discussions over a weekend to try to respond to Gordon's demands and to strike a  
13 balance between the concern for security and preservation of records while  
14 accommodating Gordon's stated concerns for his customers and clients.  
15 Ultimately, after numerous oral and written communications over that weekend,  
16 Gordon identified for the Temporary Receiver certain personnel of the Receivership  
17 Defendants who he requested be allowed to come to the premises to continue to  
18 service customer files on a specific date and time. Certain of the identified  
19 personnel worked under the Temporary Receiver's supervision to address the  
20 pending foreclosure sales and customer questions as discussed above.

21 17. Gordon has made subsequent, sporadic demands for access to his  
22 offices and legal files purportedly for him to provide legal services to clients since  
23 the receivership began. Counsel for the Temporary Receiver has assisted in  
24 evaluating these demands and in responding to the demands, including requesting  
25 specific information from Gordon as to the dates and times when he sought entry on  
26 the premises and the files he needed. In response to one of these demands, the  
27 Temporary Receiver and Gordon met to respond to his requests, allowed him to  
28

1 access the business premises in a meeting with the Temporary Receiver's members,  
2 turned over his computer to him and addressed his request for specific legal files.

3 18. Gordon has also made repeated threats to file suit against the  
4 Temporary Receiver and has attempted to incite his customers to file such suits.  
5 The Temporary Receiver with counsel have also evaluated Gordon's compliance or  
6 non-compliance with the TRO based on his conduct. Gordon has issued a written  
7 communication to former customers, a copy of which was also posted on Facebook,  
8 to solicit funds to perform loan modification work in violation of the provisions of  
9 the TRO, a subject addressed in a demand letter by the CFPB to Gordon with which  
10 the Temporary Receiver was copied.

11 19. Further, Gordon recently issued another threat on his Facebook page  
12 aimed at intimidating the Temporary Receiver and its attorneys. Gordon recently  
13 made a new posting to his Facebook page in which he threatens to disclose the  
14 personal residence address information of two of the Temporary Receiver's  
15 members and counsel Gary Caris as an apparent litigation tactic. A true and correct  
16 copy of this recent posting is attached hereto as Exhibit 4.

17 20. The duties of the Temporary Receiver under the TRO include the duty  
18 to conserve and hold the assets of the Receivership Defendants and preserve the  
19 value of those assets, among other powers and duties. TRO, Section XIV.D. Since  
20 its appointment, Mr. Gordon and his counsel have communicated with the  
21 Temporary Receiver and its counsel. However, neither the Temporary Receiver nor  
22 its counsel were served with the Ex Parte Application.

23 21. The Ex Parte Application sought release of funds of the Receivership  
24 Defendants in the Temporary Receiver's custody and control, including \$25,000 for  
25 payment of legal fees for Gordon and The Gordon Law Firm, P.C. and \$10,000  
26 each month during the pendency of the receivership for "living expenses" of  
27 Gordon. The CFPB and the Temporary Receiver, with the assistance of counsel,  
28 each opposed the Ex Parte Application.

1           22.     Since the Temporary Receiver's appointment, the Temporary Receiver  
2 and its counsel have also received notice of a number of lawsuits filed against  
3 Gordon and certain of the Receivership Defendants. There have been a number of  
4 instances in which process servers have attempted to serve lawsuits on the  
5 Temporary Receiver's staff at the Receivership Defendants' premises, and the  
6 Temporary Receiver's staff have documented the attempted service without  
7 accepting service.

8           23.     The fees and expenses of the Temporary Receiver and counsel cover a  
9 period in which the Temporary Receiver's members and staff were required to  
10 collect, preserve and review thousands of pages of customer files, business records  
11 and financial records, to locate and contact dozens of foreclosure trustees, lenders  
12 and customers where foreclosure sales were imminent and more recently to address  
13 and respond to hundreds of customer inquiries. The Temporary Receiver's IT staff  
14 had to take possession of and preserve electronic records from dozens of computers.  
15 The Temporary Receiver and its counsel had to address an extremely volatile and  
16 hostile defendant, respond to his claims, demands and threats and monitor his  
17 activities in his internet communications which included implied and express  
18 threats and communications to the CFPB, Temporary Receiver and counsel and  
19 evaluate their possible impact on the receivership. The period covered included the  
20 filing of an extensive, detailed Temporary Receiver's Report with supporting  
21 documents and a financial summary as well as a Supplemental Report and an  
22 opposition to an ex parte application to release receivership estate funds.

23           24.     The Temporary Receiver has requested that notice of the hearing on  
24 the initial fee motion be limited to the parties and the known vendor and other  
25 similar non-consumer creditors who appear on the books and records of the  
26 Receivership Defendants. There are an unknown number of potential consumer  
27 creditors that could number as many as 3,000 based on current and former  
28 customers of the Receivership Defendants. While there may be as many as 3,000

1 possible consumer creditors of the Receivership Defendants who may have claims  
2 arising out of the business operations of the Receivership Defendants prior to the  
3 Temporary Receiver's appointment, the precise number, identity and location of  
4 such consumer creditors has not been determined by the Temporary Receiver at this  
5 time. It is not realistically possible or beneficial to the estate and its creditors for  
6 the Temporary Receiver to attempt to identify and serve the potential consumer  
7 creditors with notice of this motion at this time particularly given its status as  
8 Temporary Receiver, and the expense and burden on the estate of attempting to  
9 effectuate such service would drain the estate's resources and cause undue  
10 administrative expense.

11         25. As a member of Robb Evans & Associates LLC, I am familiar with the  
12 methods and procedures used by the Receiver and its staff and employees to record  
13 the time spent rendering services to receivership estates over which the Receiver  
14 has been appointed. The records attached hereto as Exhibits 2 and 3 are regularly  
15 prepared by the members, staff and employees of the Receiver at or about the time  
16 of the services rendered and each of whom has a business duty to accurately record  
17 the information regarding their services set forth in these records. The records are  
18 reviewed by the Receiver's accounting staff and summarized in the Receivership  
19 Administrative Expenses and Fund Balance by Month, attached hereto as Exhibit 1.  
20 As explained in the accompanying declaration of Gary Owen Caris, the Receiver's  
21 time records have been redacted where appropriate to preserve descriptions  
22 containing confidential, tactical, strategic, attorney-client privileged and/or attorney  
23 work-product information. Based upon my experience with Robb Evans &  
24 Associates LLC, I believe the Receiver's methods and procedures for recording and  
25 accounting for time and services for the receivership estates over which it has been  
26 appointed are reliable and accurate.

27  
28

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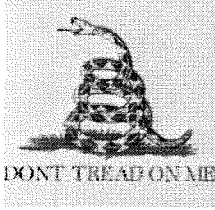
I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on September 19, 2012 at Los Angeles, California.

  
\_\_\_\_\_  
BRICK KANE

Exhibit 4

Home | Profile | Friends | Photos and Videos

Jose Black Find Friends Home



**Chance E. Gordon**

[Add Friend](#) [Subscribe](#) [Message](#)

Managing Partner at The Gordon Law Firm  
Studied at University of the Pacific  
Male



Friends 502



Photos



Map



Likes 30

About

Sponsored

Meet Local Singles



Meet single women on match.com. Start for free today!

Power Companies scared power4home.com



People learned how to cut their electric bills by 75% (or more) using this unique device.

**Do you know Chance?** If you know Chance, send him a friend request or message him. You can also subscribe to his public posts.

Work and Education



**The Gordon Law Firm**  
Managing Partner · Feb 2006 to present · Hollywood, California  
Representation of Distressed Homeowners.

Resource Law Center

Oversee preparation of custom legal products and supervise rendering of pro bono services provided to distressed homeowners.



**California State University, Fresno**  
Class of 1992 · Business · Fresno, California



**Paso Robles High**  
Class of 1989 · Paso Robles, California



**University of the Pacific**  
Juris Doctor · Stockton, California

Info

**About** Male

**2006** Started Working at The Gordon Law Firm

**1992** Graduated from California State University, Fresno

**1989** Graduated from Paso Robles High

Friends

See All



Vanessa Rochelle Haven



Treney Biller



Sarah Dyles



Nick Morfe



Freddy Sayegh



Vicki Lewis-Bransett



Sean Phillip Hall



David Stolber

Albums

See All



Wall Photos



Profile Pictures



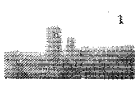
Untitled Album



Sebastian and Samsara



Props to My Grandwaddy-Clyds King



THE GORDON LAW FIRM



New Haircut



I am the Mongoose

Favorites

See All



Kat Marco



Roller derby



Casa Alexandra



photo

Activity Recent



Chance is now friends with Tamara Beasley and 16 other people.

Now

- 2012
- 2011
- 2010
- 2009
- 2008
- 2006
- 1992
- 1989
- Born

Chance E. Gordon shared a link.  
about an hour ago near Redondo Beach, CA

<http://www.receiverfraud.com/receiverfraud/Default.aspx>

Robb Evans & Associates :: Home  
[www.receiverfraud.com](http://www.receiverfraud.com)



If you have been a victim of Robb Evans and Associates we would love to hear your story. Please contact us. You may remain confidential at your discretion.



Like · Share

Max Ancar likes this.



Chance E. Gordon about an hour ago

Just so you know Brick Kane, Kent Johnson, and Gary Caris, if you continue to try and loot my office and steal money paid by homeowners, your addresses are going up next!

Like · Share



Chance E. Gordon about an hour ago

Look what I just found! Yeah! Everyone hit "like"!

Like · Share

Jeffrey Hoffer likes this.



Chance E. Gordon Friday

<http://news.firedoglake.com/2012/08/01/cfbp-goes-after-loan-modification-fraudsters/>

This is the type of bullshit journalism I hate...obviously, when these people were working on their journalism degrees, most of their time was spent smoking weed instead of going to class. Here is my response to their hippie ass article:

"Before you idiots start libeling me on the internet, why don't you try and act like "real journalists", (if that is possible), and do some due diligence to see whether what the Consumer Financial Protection Bureau is saying about me is actually true? David Dayen, (who does not even have the courage to receive messages on Facebook), calls me "low hanging fruit" and says that I "fleeced homeowners". All of this based upon a press release that quotes Kent Markus, whose entire political past is tainted by scandal and whose only motivation in working at the Consumer Financial Protection Bureau is his erroneous hope that he will be appointed to a federal judgeship.

Here is a newsflash for this cowardly and ignorant nerd David Dayen& by the Consumer Financial Protection Bureau's own admission, (as reflected t in a report filed on Pacer, which real journalist actually research BEFORE releasing articles), my office's success rate in helping homeowners achieve home affordability was no less than 85%. Perhaps if Mr. Dayen should stop paralleling the career of disgraced journalist Steven Glass and actually do some research before defaming people on the Internet. So here is the deal& I will make you people the same offer as I did Kent Markus who, being a coward, turned me down& arrange a debate between myself and Mr. Dayen. You can pick any medium you chose& and in doing so he can trash me all he wants& because at least I will have a voice. What you think? What could be more "American" than that? I'm assuming as "journalist" you people believe in the First Amendment, right? This is your chance to promote it!



Chance subscribed to Porschae Oglesby.

Chance liked Black Men Magazine.

More Recent Activity



Chance E. Gordon about an hour ago

<http://www.receiverfraud.com/>

Like · Share



Chance E. Gordon about an hour ago

Here it is! Hit "Like"!

<http://www.receiverfraud.com/>

Like · Share

4 people like this.



Chance E. Gordon 8 hours ago

The Consumer Financial Protection Bureau is "asking for the thunder" from me...so I am bringing it down!

PARTIAL ADDRESSES AND PHONE NUMBERS OF PROSECUTORS OF THE CONSUMER FINANCIAL PROTECTION BUREAU ARE BELOW.

EVERY WEEK THAT YOUR AGENCY MAINTAINS THIS FRIVOLOUS AND MALICIOUS ACTION, MORE INFORMATION WILL BE ADDED TO THE ADDRESSES BELOW. EVERY WEEK THAT YOU ATTEMPT TO ROB ME OF MY DIGNITY AND DENY ME MY BASIC HUMAN RIGHTS, MORE NAMES AND ADDRESSES WILL BE ADDED.

EVERY WEEK YOU CONTINUE TO EXPOSE MY FAMILY'S PERSONAL INFORMATION TO THE PUBLIC, I WILL BEGIN ADDING YOUR FAMILY MEMBERS PERSONAL INFORMATION TO THIS LIST (I WILL NOT BUCKLE TO YOUR UNDERHANDED, UNETHICAL AND ILLEGAL TACTICS. FOR EVERY ACTION YOU TAKE INSIDE OR OUTSIDE THE JUSTICE SYSTEM, I WILL RESPOND WITH AN EQUAL OR GREATER ACTION.

GET RID OF THIS FRIVOLOUS CASE NOW WHILE YOU CAN STILL POSSIBLY SAVE FACE AND BEFORE YOU HAVE TO WRITE MY HOMEOWNERS AND MYSELF HUGE CHECKS FROM YOUR 400 MILLION DOLLAR ANNUAL BUDGET!

1. Kent Markus  
3636 Indian Hill Rd  
Dublin, OH 43017

Like · Share

2 people like this.



Kathleen Mitchell I admire your honesty and courage Chance.  
7 hours ago · Like · 1



JoAnn Donges The checks would be nice!  
3 hours ago · Like

You have three days to either; 1) arrange a debate with me, or, 2) to take this defamatory crap off of the Internet. The choice is yours, but YOU WILL chose one of these options or else find yourselves in Court.

Regards,

Chance E. Gordon

Like · Share

6 people like this.



Lynn Morgenstein I just read the article. It's awful and disgusting. The three comments posted below this article are also ugly. What's more disturbing is that no one else is given a chance to comment. It states, "Sorry but the comments are closed to this post." Bastards!!!

Friday at 8:53am via mobile · Like · 1



Chance E. Gordon  
Thursday near Redondo Beach, CA

Since July 19, 2012, I have had to deal with the lawlessness of the Consumer Financial Protection Bureau. They have misled a judge into issuing an order that destroyed the futures of 822 homeowners, the jobs of over 50 individuals, and the business that was essentially my life work. Mainly, the Consumer Financial Bureau told this judge that my office took "homeowners last dollars" and "did nothing to help these homeowners".

This same agency, enlisting the mercenaries of Robb Evans and Associates, LLC, descended on my operation to try and prove that I was "running a scam". Despite the best efforts to manufacture the appearance of a "scam", Robb Evans and Associates, after detailed research and after even after downplaying the numbers, was forced to acknowledge that our office was successful in obtaining modifications, work-outs, and forbearances for no less than 85% of my homeowners.

One would think that the fact that the Consumer Financial Protection Bureau's discovered the above through their de facto agent Robb Evans and Associates would be cause for them to back away from the position that I was "running a scam". However, this has not been the case. Instead, without any consideration of; 1) the harm they had already caused, 2) any moral or ethical compass, 3) fundamental constitutional rights, or, 4) basis human rights, they have pressed on.

Even despite the fact that the true circumstances obligated them to cease this "scorched earth" prosecution, they have refused, expressly acknowledging that as a "new prosecutorial agency" they could not afford to "lose face". In fact, they have intensified their efforts to try and create unnecessary panic amongst my homeowners and to try and deprive me of my dignity and ability to survive so that their "yoke of oppression" would force me to capitulate to their illegal tactics.

In intensifying their tactics, the Consumer Financial Protection Bureau began a campaign of trying to invoke panic in my homeowners. To those they could not cause panic, they used force and intimidation by showing up at my homeowners' homes, armed and flashing badges, with their little obedient dog, Robb Evans, in tow. When I asked them that they release a small fraction of the funds they held so that I could pay for the reasonable necessities of life, they indicated that I would first be required to provide them the addresses and social security numbers of my ex-spouses, parents, and children which they insisted be made



Chance E. Gordon  
September 12

Why is the Consumer Financial Protection Bureau putting its paralegals "under the bus"? Allison Van Beek, a "paralegal specialist", (what the hell is that by the way?!) submitted a perjured declaration to the U.S. District Court yesterday on September 11, 2012, where she gives her "legal opinion" as to the work conducted by my office. First, she disputes Robb Evans report saying that it is COMPLETELY INACCURATE...that's odd that you would dispute the report sweetheart...because your bosses are telling the Court that they want Robb Evans as a PERMANENT RECEIVER! Also...am I just wondering...did they actually teach you how to read at "Paralegal Specialist" school? If they did, then how about ACTUALLY READING MY WRITTEN AGREEMENTS. I DON'T CHARGE UPFRONT FOR LOAN MODIFICATIONS AND HAVEN'T SINCE OCTOBER F 2009.

Allison honey, the fact that you have opted to work for a rogue federal agency that is supposed to uphold the law does not mean that YOU ARE the law. In fact, we are in America which stands for "Equal Justice Under the Law", so, just like Ms. Schneider you are not immune from the consequences of perjury.

Hey CFPB...when are you going to develop YET ANOTHER theory for your case? Just a little advice from a real lawyer...when do develop YET ANOTHER THEORY don't pick one that contradicts YOUR PRIOR THEORY. This all would be comical if your "Keystone Cops" antics weren't destroying the lives of my poor homeowners!

Like · Share

6 people like this.



Lynn Morgenstein Witty, logical and well stated (as always)  
September 12 at 5:06pm · Like · 1



Adam Krollkowsk Have you drafted your complaint against them yet for after this debacle gets dismissed?  
Thursday at 8:13am · Like



Chance E. Gordon After. I have sent out the letter required under the Federal Torts Claim Act  
Thursday at 11:20am · Like · 1



Buck Poirier Givum hell nephew  
Unca Buck  
Thursday at 11:25am via mobile · Like

public record. However, even after providing them with all the information I had, they still have refused to allow me any funds that I need to pay the most basic necessities of life.

I accepted this refusal because I am an ethical lawyer who plays by the rules even when my adversaries don't. Due to this acceptance, I then requested that I merely be allowed to work in my office so that I could try and generate an income which would allow me to live. They have refused this request and still refuse to release any funds whatsoever.

Despite all of the above, despite the destruction of my business which I cherished almost as much as my two young children, despite my good name being drug through the mud in the national press as a result of this agency's blatant lies, despite the countless tears I have shed for the homeowners whom, through no fault of their own, are suffering only because of this agency's deranged pursuit of positive press and headlines, I have played by the rules...despite the fact that the Consumer Financial Protection Bureau has not.

However, yesterday was a turning point. Yesterday, I discovered that this agency is now intentionally and recklessly trying to manufacture discontent amongst my former homeowner customers. A paralegal from the Consumer Financial Protection Bureau has called 24 homeowners, whom never complained about my office's services and told these homeowners that I am "a scam". This paralegal then told these homeowners to state that they were "dissatisfied" with my office.

Based upon unsolicited phone calls made to these 24 homeowners, this paralegal at the Consumer Financial Protection Bureau has now filed an affidavit with the Court representing under penalty of perjury that her hearsay discussions made through unsolicited phone calls to non-complaining homeowners means that my office's success rate, (in helping nearly 3000 homeowners), is not 85%, but is instead 30%. The fact that this paralegal, is so audacious to extrapolate under penalty of perjury, that the hearsay "complaints" solicited by her from 24 non-complaining homeowners translates into a historic success rate of only 30%, has absolutely infuriated me. The fact that this agency, has so little regard for truth, and such a blatant disregard of our system of justice, that they are openly willing to commit perjury, has literally pushed me over the edge.

To add insult to injury, the Consumer Financial Protection Bureau, despite representing that they would release some of my funds if I provided personal and confidential information about myself and my family, continues to refuse to do so. They continue to refuse to allow me to work in my office. They continue to lie, to commit perjury, and do whatever the hell they please as they feel that the rules do not apply to them due to their status as "federal prosecutors". However, since I am a "loan mod scam artist", I have to follow the rules that they ignore.

No more. Now the gloves are coming off. If they are not going to pay by the rules, neither am I. If they are going to force me to give them my family's address, than I am going to post their families' addresses all over Facebook. If they are going to start contacting all my homeowners, then I am going to send these same homeowners mass mailers which will show them step by step, how to sue the Consumer Financial Protection Bureau for the harm this un-American rogue agency has done to them.

The actions of the prosecutors of the Consumer Financial

Protection Bureau are those of elitist, whom, despite their Ivy League educations don't understand the most basic concept of our system of justice, which is "Equal Justice under the Law". I'm going to teach them what this means and show them that just because they work for an agency with a tax-payer funded budget of \$400 million a year, that they have no right to trample on the constitutional and human rights of others. I'm going to make them understand that they are no better than anyone else and that "all men" were truly "created equal".

Like · Share

7 people like this.



**Marle Pawlak** This is just awful...sorry this is happening to you :-(  
Thursday at 1:57pm via mobile · Like · 2



**Vicki Lewis-Blansett** Keep up the fight and Stay strong!!!  
Thursday at 3:06pm via mobile · Like · 3



**Michele Taylor** we know different Chance and this statement comes from a Government Underwriter  
Thursday at 11:10pm · Like · 2



**Chance E. Gordon** What is sad is that this is OUR GOVERNMENT, a FEDERAL GOVERNMENTAL AGENCY that falsely represents to the public that its mission is to protect the American Consumer. In reality, its ONLY GOAL is to advance the selfish political and career agendas of high-powered individuals who can relate to the American Consumer about as much as a Third World Dictator can. I have been in contact with the ACLU whom I'm sure will take on my cause, and am considering joining forces with Republican strategists who think I can be useful in Ohio by revealing to the voters there all the dirt that Kent Markus, (assistant enforcement director of the Consumer Financial Protection Bureau), and Richard Cordray, (director of the agency), did while they were public officials in that state.  
Friday at 12:07am · Like · 2



**Chance E. Gordon** So my message to these idiots at the Consumer Financial Protection Bureau is...keeping trying to strong-arm me...at this point you all have MUCH MORE to lose than I do and I will obtain justice for the sins you have committed against myself, my workers, and my homeowners...count on it!  
Friday at 12:08am · Like · 4



**Lynn Morgenstein** You are a remarkably intelligent and ethical lawyer. You are the rare kind of a lawyer that anyone dreams of having on their side to either, prosecute or defend. For CFPB to put yo... See More  
Friday at 3:50am · Like · 1



**Chance E. Gordon** shared a link.  
September 10 near Redondo Beach, CA

The Consumer Financial Protection Bureau just cannot stop with the lies...in the article below, they say that they don't "confirm or discuss" enforcement matters...are you kidding me? Didn't Kent Markus, head enforcement director of the Bureau, not blab his fat mouth in late July, bragging to anyone in the press whom would listen that his agency just shut down a loan modification "scam operation"?

Why the sudden code of silence Kenny boy? Is it because that your own hand-picked receiver that cares about nothing more than stealing money paid by working homeowners cannot refute the fact that my office's success rate was over 85%? Is that why your lips are no longer flapping Kent? Is that also the reason that you do not have the spine to debate me? Because the raw facts that would come out in such a debate would prove that you're nothing but a corrupt politician, (actually, a former "cover-up guy" for the Governor of Ohio), posing as a consumer prosecutor?

And what is this bullshit about consumers being misled into believing that we were a governmental agency? AS STATED ON THE HUD.GOV WEBSITE, ANYONE IN PRIVATE



**Chance E. Gordon** shared a link.  
September 5 near Los Angeles, CA

<http://www.youtube.com/watch?v=BnZJeXfjvf8&feature=fvst>

Some Humor for a change....)



The Crazy ass Honey Badger!  
[www.youtube.com](http://www.youtube.com)

Like · Share

Lynn Morgenstein likes this.



**Troy Renfrow** Thanks Chance.  
September 5 at 10:41pm · Like



**Chance E. Gordon**  
August 31 near Los Angeles, CA

INDUSTRY CAN USE THE EQUAL OPPORTUNITY HOUSING SYMBOL FOR ANY PRIVATE PURPOSE AND THAT SYMBOL IS WHAT WAS ON THE MAILERS!

But most importantly& .and I really must ask my colleagues at the CFPB& and this is the BURNING QUESTION& .you have repeatedly told my attorney how "iron clad" your case is and that when the judge rules your conduct in violently and unconstitutionally raiding and shutting down my office will be upheld. REALLY? And here comes the burning question& If that is the case, then why are you rushing to settle with Mike Pessar BEFORE the judge rules?! Do you have some concern? Do you feel that by coercing Mike Pessar into signing something that is factually inaccurate that somehow you will be able to use this signed document which you have criminally manufactured as a way to transform your make believe case into a real one?! What a joke!

YOU PROSECUTORS AT THE CFPB ARE PATHETIC! YOU'RE PROTECTING CONSUMERS?! IF YOU ARE PROTECTING CONSUMERS THAN WHEN ARE YOU GOING TO FORCE THE BANKS TO EXTEND LOAN MODIFICATIONS TO MY HOMEOWNERS WHOM, FOR THE LAST TWO MONTHS, YOU HAVE BARRED ME FROM HELPING?! YOUR OWN RULES SAY THAT YOU POSSESS SUCH POWER, SO WHEN ARE YOU GOING TO USE IT? WHEN ARE YOU GOING TO START ACTUALLY HELPING CONSUMERS INSTEAD OF INTENTIONALLY DESTROYING THEIR LIVES AND THEN SHIFTING BLAME FOR YOUR ACTIONS ONTO SOMEONE ELSE? WHY DOESN'T KENT MARKUS DO A PRESS RELEASE WHICH ANSWERS THESE QUESTIONS?!

YOU HAVE NO INTENTION OF DOING ANYTHING OTHER THAN HARMING MY HOMEOWNERS FOR YOUR OWN SELFISH POLITICAL GAIN! NEWSFLASH YOU IVY LEAGUE GENUISES& THE PUBLIC KNOWS THAT YOUR AGENCY CARES NOTHING ABOUT CONSUMERS! THIS KNOWLEDGE IS THE REASON THAT ELIZABETH WARREN, THE CREATOR OF YOUR AGENCY , WHOM HAS LIED ABOUT HER CHEROKEE HERITAGE SO THAT COULD EXPLOIT PROGRAMS DESIGNED FOR REAL AMERICAN INDIANS, IS LOSING GROUND DAILY TO RICK SCOTT IN THE POLLS! THE AMERICAN PEOPLE ARE ON TO YOU!

I want y'all at the CFPB to know something, (and now I am using my country voice)& you are all unethical, perjuring, lying scum. You all know this and have comfortably settled into this role because you believe that the doctrine of absolute immunity will protect you. I have already done the research on this issue and can give you the case cites if you want& just so you know, based upon what you've done, you do not have absolute immunity. That's right Mr. Markus, Mr. Meade, Ms. Schneider, and Ms. Sumner& you've exposed your agency to civil liability and yourselves to possible ethical repercussions. My homeowners will come after you for the damage you have caused them& and when the dust settles& so will I!

And just on a side note& no matter HOW HARD you try and bar me from earning a living, no matter what you do in order to try and inhibit my ability to pay for even the most basic necessities of life, I can take it, AND IWILL, NEVER, EVER, SUCCUMB TO YOUR NAZI TACTICS. No matter how much effort you put into trying to worsen my situation, or how much pressure you underhandly and unethically attempt to apply& I CAN TAKE IT! I WILL NEVER EVER BOW TO YOUR CORRUPT UNAMERICAN AGENCY! SO GET IT THROUGH YOUR THICK HEADS& .I'M NOT STUCK IN THIS GODDAMN LAWSUIT WITH YOU& YOU ARE STUCK IN IT WITH ME!

<http://www.huifingtonpost.com/huff-wires/20120907/us->

If Kent Markus, Assistant Enforcement Director of The Consumer Financial Protection Bureau is willing to say things like this about me...

"CFPB's Assistant Director for Enforcement Kent Markus said Gordon and one of his business partners, Abraham Pessar, who also was named in the suit, have "been unlawfully preying on vulnerable homeowners in multiple states."

...then why won't he get off his fat Harvard-Educated ass and have a good--old fashioned American public, (and video recorded), debate with me?

What the hell are you afraid of Mr. Markus? I am a country boy from Paso Robles, CA that graduated from a law school that you probably never even heard of...I should be an "easy win" if we were to have a debate and it should be NO PROBLEM for you to EASILY PROVE this statement you made to the national press...so why are you so afraid for me to have a voice?! Do you no longer believe the truth of what you said?! Oh my gosh!! Are you a LIAR Mr. Markus?!

DEBATE ME! DEBATE ME! DEBATE ME YOU COWARD!!!

....

Like · Share

5 people like this.



**Buck Poirier Hoorah**  
That would be a hoot.  
To bad they won't!  
Keep um fffffffffff  
Unkle Buck

August 31 at 8:07pm via mobile · Like · 1



**Treney Biller Bone Right, 21-Counter?**  
August 31 at 9:00pm · Like · 2



**Kathieen Mitchell Harvard produces liars and cheats...just a few are Elizabeth Warren and Ted Kennedy.**  
September 1 at 3:20am · Like · 1



**Lynn Morgenstein** Chance, it's good to have you back on FBI if FB would have an option of "liking" 3 or more times, I'd be liking you @ the highest level! Just know that I look forward to reading ev... See More

September 1 at 4:54pm via mobile · Like · 1



**Lynn Morgenstein** You are\* a good guy and justice will be served!

September 1 at 4:58pm via mobile · Like · 1

consumer-protection-settlement/



Calif. man close to settling mortgage scam charge  
www.huffingtonpost.com

WASHINGTON -- The government's consumer finance watchdog is in talks to settle charges that a California

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Lynn Morgenstein likes this.



Sean Phillip Hall you didnt build that. Lol  
September 10 at 8:30am · Like · 2



Lynn Morgenstein If anyone can unravel this case and open public's eyes to the truth, it's you Chancel I'm rooting for you! Keep fighting these bastards!  
September 11 at 12:48am · Like · 1



David Stoiber So, it's ok for the government to approve, re-view loan modifications for their own benefit (when it suits them). But civilians can't get public firms to protect them. I really miss the Reagan years when he wanted LESS government.  
September 11 at 8:00am · Like · 2



Chance E. Gordon  
August 31 near Los Angeles, CA

Wow! This Paul Ryan guy really has a gift for public speaking. The Romney Campaign has closed the gap in the Presidential Race from: 4.5% in favor of Obama to 0.5%. Like I have said before, I could care less about politics...but I do know that if the Romney team wins this election, than the Consumer Financial Protection Bureau will have much to worry about because the republicans are going to go "Road House" on your agency.

Maybe the people within the Consumer Financial Protection Bureau whom dismantled my office should consider that there is a high probabily that we will have a Republican White House...and what they did to me could now be done to them!

Like · Share

8 people like this.



Kathleen Mitchell Chance, Mitt is a good man. He was a great Governor for us in Mass.  
August 31 at 11:12am · Like · 1



Richard M Wiener Do you mean you "couldn't care less"?  
August 31 at 11:22am via mobile · Like



Jacqueline Ann DaSilva Romney reminds me of a jacked up crook., he's always in my face,,, & I'm Canadian..  
August 31 at 11:34am · Like · 1



Chance E. Gordon No Rich, I didn't...that is how you say it if you're not from Laguna Niguel.  
August 31 at 12:32pm via mobile · Like



Arleen F-Marta I'm glad your back Chance E. Gordon  
August 31 at 2:20pm · Like · 2



Lynn Morgenstein Karma is a bitch!  
August 31 at 3:57pm via mobile · Like · 1



Marie Johnson- Roth like...like  
....like....like....like....like....like!  
August 31 at 9:44pm · Like · 1

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