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Federal Agents Arrest Operators of Loan Modification Scam That Targeted Struggling Homeowners

Federal agents arrested yesterday Bryan D'Antonio, 47, of Brea, Calif., and Charles Wayne Farris, 53, of Aliso Viejo, Calif., for operating the Rodis Law Group and America's Law Group, businesses that allegedly offered bogus loan modification assistance to struggling homeowners. Attorney Ronald Rodis, 49, of Irvine, Calif., surrendered today to federal agents on charges alleging that he participated in, and lent his name and the law license he formerly possessed to, the fraudulent operation. All three defendants were named in a federal indictment unsealed yesterday following an investigation by the FBI and IRS-Criminal Investigation.

According to the indictment, as a result of the scheme run by D'Antonio, Farris and Rodis, more than 1,800 financially distressed homeowners lost a total of at least \$12 million in fees they paid to the companies. Many homeowners also lost their homes to foreclosure. During a nine month period that began in October 2008, the Rodis Law Group and America's Law Group allegedly defrauded distressed homeowners by making false promises and guarantees regarding the companies' ability to negotiate loan modifications from the homeowners' mortgage lenders, falsely representing that a "team of attorneys" would represent the homeowners and advising homeowners to cease making their mortgage payments.

"These arrests send a strong message to those who would prey on vulnerable homeowners during these tough financial times," said Assistant Attorney General for the Justice Department's Civil Division Stuart F. Delery. "If you defraud homeowners, you will be found and brought to justice."

The Rodis Law Group, and its successor company, America's Law Group, allegedly advertised loan modification assistance on radio stations nationwide. According to the indictment, many of these radio advertisements featured Rodis' voice telling homeowners that a "team of experienced attorneys," who were "highly skilled in negotiating lower interest rates and even lowering your principal balance," would negotiate with mortgage lenders. Sales staff hired and trained by Farris and D'Antonio allegedly told interested homeowners that Rodis Law Group was "100% successful," "routinely lowered monthly payments" and obtained reduced principal balances. According to the indictment, once the defendants and their co-conspirators convinced homeowners to pay a fee of several thousand dollars, little to no effort was made to obtain loan modifications. After making their payments, homeowners who tried to get updates on the status of their cases were often unable to contact anyone at either company.

The indictment further alleges that D'Antonio committed these crimes after having been convicted of mail and wire fraud for his role in a previous telemarketing scheme. The previous scheme resulted in a civil case by the Federal Trade Commission and ultimately a court order, entered in 2001, which permanently banned D'Antonio from participating in future telemarketing operations. The indictment in this case alleges that D'Antonio committed criminal contempt of court by directing the telemarketing activities of Rodis Law Group and America's Law Group and by misrepresenting the services they provided.

"Posing as successful lawyers, these defendants offered struggling homeowners false hopes and bogus promises of quality legal representation," said U.S. Attorney for the Central District of California André Biotte Jr. "The market offering loan modifications is rife with fraud, which is why we have redoubled our efforts to investigate and prosecute those who engage in financial crimes that target distressed homeowners."