

**ROBB EVANS & ASSOCIATES LLC**  
**Permanent Receiver of**  
**Lucas Law Center and Future Financial Services, LLC., et al**

**REPORT OF RECEIVER'S ACTIVITIES**  
**JULY 14, 2009 THROUGH JULY 27, 2009**

**Efforts to Assist Consumers**

Since the initial report of the Temporary Receiver for the period ending July 13, 2009, the Receiver, appointed as Permanent Receiver by this Court on July 16, 2009, has employed certain personnel of the defendants to make contact with lenders and attempt to extinguish or postpone foreclosure sale dates that were scheduled through August 7, 2009. Because of the need to reduce expenses and conserve estate assets the Receiver determined that all operations should cease as of Friday, July 31, 2009.

The Receiver's staff has personally made contact with all consumers with foreclosure sale dates set on or before August 7, 2009 that were not postponed or extinguished. The staff member advised the consumers to immediately make contact with their lenders to negotiate a modification of their loan and extinguish or postpone the posted foreclosure sale date.

The Receiver is also attempting to obtain a download of a name and address file from the defendants' database maintained by a third-party processor. The Receiver's attorney is now discussing with the third-party processor the need to comply with the order of the court and furnish the requested information. As soon as it is available, the Receiver intends to send a notice to all the consumers that have executed a retainer agreement with the defendants. The notice will be the same notice as posted on the Receiver's website and the defendants' website, which urges the consumers to make contact with their lenders and take over the loan modification negotiation process.

**Analysis of Additional Consumer Files**

To expand the analysis that was documented in its initial report, the Receiver reviewed 50 additional files that are designated as completed modifications to evaluate the quality of the modification result. The Receiver also reviewed 50 additional files designated as terminated files to confirm whether or not the consumers received a 100% refund of fees paid when the defendants did not obtain a loan modification. Following is a summary of the analysis of these two sets of files.

### **Completed Modifications**

The Receiver's staff took an additional sample from the approximate 421 documents representing completed modifications that the Lucas Law Center staff had copied for the Receiver. These 421 documents represent 77% of the 546 loan modifications Lucas Law Center reports as having successfully completed, leaving 125 loan modifications, or 23% of the total not located. The Receiver's staff requested an additional 50 files described as containing completed modifications, selecting every eighth file. Staff members were able to locate only 42 files, or 84% of those requested.

Of the 42 files and modifications reviewed, 29 files, or 69%, appeared to be completed modifications with reduction of interest rates on 19 files and a reduction of payments on 23 files. As previously observed, in most cases past due payments and other charges were added to the loan balance. Eight of the 37 files were structured as a trial period of payments, in some cases indicating that a longer term modification would be considered subject to receipt of payment, during the trial period. The Receiver does not consider these short-term payment arrangements to be modifications but rather a repayment of past due amounts structured over a scheduled period. In five of the files, or 12% of the total sampled, there was no evidence the modification agreement was obtained.

In summary, of the 42 files that the staff was able to locate, those files indicated that Lucas Law Center was able to obtain a modification of some type for 69% of its paying consumers. Another 19% received a short-term trial period of payments, which the receiver does not consider to be a loan restructure but rather a repayment of past due amounts. Files of 12% of the consumers did not indicate a modification of any kind was completed. Accordingly, 31% of these consumers did not receive a documented loan modification.

The results of the analysis of these additional 50 files confirm the Receiver's initial conclusions in its first report, that about one-third of the consumers reportedly receiving a loan modification, did not actually receive one.

### **Refunds When No Loan Modification is Obtained**

The Receiver's staff reviewed 50 additional files that had a resolution effort pending, or were canceled, or resolution efforts were discontinued for some reason. The purpose of the review was to conduct further analysis to determine if the defendants provide a 100% refund of fees to consumers when the defendants did not obtain a loan modification.

Of the 50 files reviewed, the resolution activity for four files, or 8%, were in progress. Of the remaining 46 files, the file and CRM database details indicate a full refund was made to only six consumers. Only four files indicate that a partial refund was made. 36 files, or 78% of the remaining 46 files contained no evidence of even a partial refund. Included in the count of files in which no refund was made was a file in which the consumer paid only half of the total fee and did not receive a refund.

In summary, the results of the files reviewed indicated that about 13% of the consumers received a full refund when the company was not able to obtain a loan modification. About 87% of the consumers received either no refund or a partial refund when the company was unable to obtain a loan modification.

The results of this additional analysis indicate that the Receiver's initial conclusions in its first report, that about 42% of the consumers received either no refund or a partial refund, may have been understated.

Respectfully submitted,

/s/

Robb Evans & Associates LLC  
Receiver