

**IN THE CIRCUIT COURT OF THE FOURTH JUDICIAL CIRCUIT  
IN AND FOR PALM BEACH COUNTY, FLORIDA**

STATE OF FLORIDA,  
OFFICE OF THE ATTORNEY GENERAL,

Plaintiff,

v.

Case No. \_\_\_\_\_

ERIC MADER, SEAN BATCHELER  
and MADER LAW GROUP, LLC,

Defendants.

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**COMPLAINT**

Plaintiff STATE OF FLORIDA, OFFICE OF THE ATTORNEY GENERAL, ("the Attorney General") sues Defendants ERIC MADER, SEAN BATCHELER and MADER LAW GROUP, LLC, and alleges:

1. This is an action for civil penalties, restitution on behalf of consumers, injunctive relief, attorney's fees and costs and other relief pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2012).

**PARTIES AND JURISDICTION**

2. The Attorney General is an enforcing authority of the Florida Deceptive and Unfair Trade Practices Act.

3. The Attorney General has determined that an enforcement action serves the public interest as required by Section 501.207(2), F.S.

4. This Court has jurisdiction pursuant to Section 501.207(3), F.S.

5. At all times material hereto, ERIC MADER was a lawyer residing at 2802 Northpointe Lane, Tampa, Florida 33611, who operated and continues to operate a business

called MADER LAW GROUP, which offered and continues to offer mortgage assistance relief services to consumers.

6. At all time material hereto, SEAN BATCHELER was an individual living at 6422 64th Way, West Palm Beach, Florida 33409, who operated and continues to operate the West Palm Beach office of MADER LAW GROUP, which offered and continues to offer mortgage assistance relief services to consumers.

7. At all times material hereto, MADER LAW GROUP was a Florida limited liability company doing business at 1800 Old Okeechobee Road, West Palm Beach, Florida 33409 and 5010 W. Carmen Street, Tampa, Florida 33609.

#### **THE DEFENDANTS' UNLAWFUL COURSE OF CONDUCT**

8. ERIC MADER and SEAN BATCHELER operate MADER LAW GROUP, a business aggressively engaged in abusive practices aimed at consumers who cannot pay their mortgages. MADER and BATCHELER lured consumers to MADER LAW GROUP with deceptive websites that mimic legitimate government websites offering help to consumers in financial trouble. In follow-up phone calls and emails, MADER, BATCHELER and MADER LAW GROUP make extravagant promises, assuring consumers they will be enrolled in government programs or can obtain loan modifications from lenders. MADER, BATCHELER and MADER LAW GROUP then charge the consumers hefty, unlawful fees before any of the promised services are performed, and then they fail to deliver the services. Months go by, during which consumers enter a bureaucratic maze of requests by MADER, BATCHELER and MADER LAW GROUP for voluminous paperwork, until they discover that MADER, BATCHELER and MADER LAW GROUP have done nothing on their behalf. Finally, when

consumers complain, MADER, BATCHELER and MADER LAW GROUP refuse to refund their money.

9. In January 2010, MADER and BATCHELER devised a plan in which Horizon Financial, a company run in West Palm Beach by BATCHELER, would find customers for various mortgage-related services. According to a written agreement between MADER and BATCHELER, if these consumers wanted "non-legal" services, such as loan modifications or short sales, they would be directed to Horizon Financial, but if they wanted legal services, such as foreclosure defense, they would be referred to the MADER LAW GROUP office in Tampa. The two companies would split upfront fees to be paid by these consumers, the agreement said.

10. Shortly thereafter -- at about the same time that the Federal Trade Commission approved rules governing mortgage assistance that were not, in some circumstances, applicable to lawyers -- MADER LAW GROUP absorbed Horizon Financial. Its employees became employees of MADER LAW GROUP, and Horizon Financial went out of business. The change was made in response to the F.T.C.'s actions. The loan-modification activities of BATCHELER's West Palm Beach office continued unchanged, other than as activities of MADER LAW GROUP.

11. At all times material hereto, the activities of the West Palm Beach office of MADER LAW GROUP were directed and controlled by ERIC MADER and SEAN BATCHELER.

12. Beginning also in early 2010, MADER LAW GROUP launched websites referring to the Hardest Hit Fund, a program created by the United States Department of the Treasury. The Fund was designed to channel government money to homeowners who were

having trouble making mortgage payments and is administered by governmental agencies in each state.

13. These MADER-created websites had addresses including but not limited to "flhardesthit.org," "floridahardesthit.org," "hardesthitfundhelp.org," "flhardesthitinfo.org" and "floridahardesthithelp.org." When consumers searched the Internet for information about federal mortgage assistance, they came upon these MADER LAW GROUP sites.

14. The websites did not disclose that they were promotional materials devised by and for MADER LAW GROUP. Instead, the sites described the Fund, urged interested homeowners to "[c]ontact us and we can help you determine if you qualify" -- without explaining "us" -- and asked consumers to submit detailed financial information in online forms next to the words, "It takes only a minute to apply." These representations gave the impression that the sites were legitimate government sites and that the forms were genuine applications for acceptance into the Florida Hardest Hit Fund program.

15. MADER LAW GROUP's Florida Hardest Hit Fund websites were not the only websites created by MADER LAW GROUP that appeared to be government websites. MADER LAW GROUP also created websites that referred to the Hardest Hit Funds of other states, as well as a website modeled on the federal Making Home Affordable Program (HAMP), the main source of federal funding for financially troubled homeowners.

16. Consumers who provided financial information on MADER LAW GROUP's pseudo-government websites were contacted shortly thereafter by telemarketers working in West Palm Beach for MADER, BATCHELER and MADER LAW GROUP.

17. Many of these consumers thought, when discussing their mortgage problems with the MADER telemarketers, that they were speaking to officials at government agencies.

18. Working out of a boiler room, the telemarketers were instructed to sign up as many customers as possible, regardless of whether these consumers were already in such poor financial shape that they could not possibly qualify for government assistance or loan modifications from lenders. The Defendants awarded bonuses to the telemarketers based on how many new paying consumers each marketer could sign up.

19. During the phone calls, and in follow-up emails to consumers, the Defendants' telemarketers made specific promises about what MADER LAW GROUP would accomplish. Among other representations, the telemarketers told consumers that they qualified for federal assistance, that they would get into the HAMP program, that lenders would stop charging them late fees and penalties, that their monthly mortgage payments would be cut nearly in half, that the interest rates they paid would be slashed to 2 or 3 percent and that payments would be lowered within just a few weeks.

20. They also advised consumers to stop paying their lenders.

21. MADER LAW GROUP told consumers in emails that MADER LAW GROUP had "a 97% success rate and an outstanding reputation on [sic] the Better Business Bureau and the Florida Bar Association [sic]" and that attorneys working for MADER LAW GROUP were licensed to practice law in 42 states.

22. In reality, MADER LAW GROUP did not have "a 97% success rate and an outstanding reputation" with the Better Business Bureau or the Florida Bar.

23. Approximately three attorneys working for MADER LAW GROUP in Florida, all of whom were located in the Tampa office, were not licensed to practice law in 42 states. Several lawyers outside Florida entered into agreements with MADER LAW GROUP to provide services outside Florida, but these services did not constitute legal representation and the activities of these lawyers did not constitute licensing outside Florida by MADER LAW GROUP.

24. MADER LAW GROUP also falsely represented to at least one consumer that a state inquiry into the business practices of MADER, BATCHELER and MADER LAW GROUP had ended with no action against MADER LAW GROUP.

25. All consumers who wanted mortgage assistance relief services from MADER LAW GROUP were instructed by the Defendants to pay upfront fees to MADER LAW GROUP, and many hundreds of consumers did so.

26. In a substantial number of instances, MADER telemarketers arranged for consumers to pay the upfront fee on the spot, during the initial phone calls that the telemarketers had made to consumers. In these instances, the consumers gave the marketers their bank account information, enabling the Defendants to deduct money immediately.

27. In a substantial number of instances, consumers also signed agreements for mortgage assistance relief services with MADER LAW GROUP during these initial phone calls, by exchanging emails with the telemarketers while still on the phone. Many other consumers did so within a few minutes later via email.

28. MADER LAW GROUP failed to give consumers one business day to review the documents before asking them to sign the agreements.

29. MADER LAW GROUP failed to inform consumers that they had the right to rescind their agreements with MADER LAW GROUP within three business days.

30. MADER LAW GROUP failed to sign the agreements that consumers had signed for MADER LAW GROUP's services.

31. In many instances, employees of MADER LAW GROUP who had no legal training gave legal advice to consumers -- stating, for instance, that lender statements were "empty threats," that consumers should file for bankruptcy to avert foreclosure, that law firms had special advantages over others when working on loan modifications, that lenders were insured against losses and therefore benefitted from foreclosure and that lawyers could charge upfront fees for loan-modification services.

32. After paying upfront fees, consumers entered a lengthy process of providing detailed financial information to MADER LAW GROUP. Consumers were asked to provide statements about income, loans and personal and property taxes, insurance policies, Social Security numbers and bank account numbers. MADER LAW GROUP often falsely claimed not to have received consumers' documents and asked them to provide the same documents again and again. This process could last as long as a year.

33. Consumers experienced significant difficulty when they tried to contact MADER LAW GROUP about the mortgage assistance relief services for which they had paid. Months would go by with no word, and consumers who attempted to get information by calling or emailing MADER LAW GROUP did not get their calls or emails returned. An online database supposedly setting forth the status of each consumer's loan-modification application was not updated.

34. MADER LAW GROUP also failed to notify consumers of significant events concerning their mortgages, including denials by lenders of loan-modification applications and the setting of dates for the auction of consumers' homes.

35. MADER LAW GROUP also failed to allow consumers who asked to do so to speak to an attorney.

36. MADER LAW GROUP failed to keep consumer payments in an escrow account.

37. Over time, many consumers decided that MADER LAW GROUP was not carrying out the work it had promised. Some reached this conclusion because they saw no results. In many other instances, lenders informed consumers that MADER LAW GROUP had not contacted them to inquire about loan modifications. These consumers decided to terminate their relationships with MADER LAW GROUP.

38. Meanwhile, in numerous instances, MADER LAW GROUP also terminated these relationships by simply informing consumers that they were not eligible for particular programs or other assistance after all, or by telling consumers they were being terminated because they had not provided sufficient paperwork.

39. Whatever the reason that the relationships between MADER LAW GROUP and consumers were terminated, MADER LAW GROUP rarely returned the funds that consumers had paid upfront.

40. MADER LAW GROUP generally told consumers that it would not make refunds because MADER LAW GROUP had done sufficient work to be entitled to the payments or that per the terms of agreements signed by consumers the money would not be returned.



41. MADER LAW GROUP threatened consumers who complained to third parties about MADER LAW GROUP. A consumer who complained to the Florida Attorney General and the Better Business Bureau was told that "[t]he firm is in the process of fling a lien on your property to prevent any modification attempts if you do not cease and desist with slander of the firm." A consumer who attempted to sell her home was told, "[I]f you receive any funds from the purchase for sale agreement you are engaged in mortgage fraud. [T]his is a serious offence that will result in legal issues (JAIL TIME AND FINES AND PENALTIES)[.]"

42. MADER LAW GROUP told consumers who complained to the Florida Bar that they would get refunds only if they withdrew their complaints.

**COUNT ONE**  
**FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT**  
**CHAPTER 501, PART II, FLORIDA STATUTES**

**DECEPTIVE WEBSITES**

43. The Attorney General re-alleges Paragraphs 1 to 42.

44. Section 501.204(1) of the Florida Unfair and Deceptive Trade Practices Act, Chapter 501, Part II, Florida Statutes, states that "unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful."

45. Any entity that willfully engages in a deceptive or unfair act or practice is liable for a civil penalty of \$10,000 for each such violation; willful violations occur when the entity knew or should have known that the conduct in question was deceptive or unfair or prohibited by rule. Section 501.2075, F.S.

46. At all times material hereto, Defendants MADER, BATCHELER and MADER LAW GROUP engaged in "trade or commerce" as defined by Section 501.203(8), F.S.

47. Defendants MADER and BATCHELER directed or controlled, or had the authority to direct and control, the deceptive and unfair acts or practices engaged in by MADER LAW GROUP.

48. Defendants MADER, BATCHELER and MADER LAW GROUP knew or should have known that their conduct was deceptive and unfair.

49. Defendants MADER, BATCHELER and MADER LAW GROUP engaged in deceptive, unfair and unconscionable acts that included but are not limited to designing, creating, using, operating and maintaining websites that misleadingly gave the impression that they were official, governmental websites offering governmental funds to consumers.

**COUNT TWO**  
**FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT**  
**CHAPTER 501, PART II, FLORIDA STATUTES**

**DECEPTIVE REPRESENTATIONS**

50. The Attorney General re-alleges Paragraphs 1 to 42.

51. Section 501.204(1) of the Florida Unfair and Deceptive Trade Practices Act, Chapter 501, Part II, Florida Statutes, states that "unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful."

52. Any entity that willfully engages in a deceptive or unfair act or practice is liable for a civil penalty of \$10,000 for each such violation; willful violations occur when the entity knew or should have known that the conduct in question was deceptive or unfair or prohibited by rule. Section 501.2075, F.S.

53. At all times material hereto, Defendants MADER, BATCHELER and MADER LAW GROUP engaged in "trade or commerce" as defined by Section 501.203(8), F.S.

54. Defendants MADER and BATCHELER directed or controlled, or had the authority to direct and control, the deceptive and unfair acts or practices engaged in by MADER LAW GROUP.

55. Defendants MADER, BATCHELER and MADER LAW GROUP knew or should have known that their conduct was deceptive and unfair.

56. Defendants MADER, BATCHELER and MADER LAW GROUP engaged and continue to engage in deceptive, unfair and unconscionable acts that include but are not limited to deceptively representing to consumers that they were eligible for governmental mortgage-assistance programs, that MADER LAW GROUP had a near-perfect record in obtaining loan modifications for consumers, that MADER LAW GROUP was licensed to practice law in 42 states, that MADER LAW GROUP was negotiating with consumers' lenders and that MADER LAW GROUP was diligently working to resolve consumers' cases.

**COUNT THREE**  
**FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT**  
**CHAPTER 501, PART II, FLORIDA STATUTES**

**VIOLATION OF SECTION 501.1377, FLORIDA STATUTES**

57. The Attorney General re-alleges Paragraphs 1 to 42.

58. Violation of any law that prohibits deceptive or unfair trade acts or practices is a violation of the Florida Deceptive and Unfair Trade Practices Act. Section 501.203(3)(c), F.S.

59. Violation of Section 501.1377, Chapter 501, Part I, constitutes the commission of an unfair or deceptive trade practice. Section 501.1377(7), F.S.

60. Defendants MADER and BATCHELER directed or controlled, or had the authority to direct and control, the deceptive and unfair acts or practices engaged in by MADER LAW GROUP.

61. Defendants MADER, BATCHELER and MADER LAW GROUP knew or should have known that their conduct was deceptive and unfair.

62. Defendants MADER, BATCHELER and MADER LAW GROUP violated Section 501.1377(3)(b) by charging up-front fees for foreclosure-rescue related services that were not ancillary to the legal representation of homeowners as clients; Section 501.1377(4)(a) by failing to sign agreements with consumers and failing to give consumers at least one business day to review the agreements before they were to sign the agreements; Section 501.1377(4)(b), F.S., by failing to give consumers the right to cancel within three days; and Section 501.1377(4)(c), F.S., by failing to set forth the right to cancel in the agreements they asked consumers to sign.

**COUNT FOUR**  
**DECEPTIVE AND UNFAIR TRADE PRACTICES ACT**  
**CHAPTER 501, PART II, FLORIDA STATUTES**

**MORTGAGE ASSISTANCE RELIEF SERVICES (MARS) RULE.**  
**16 C.F.R. § 322**

63. The Attorney General re-alleges Paragraphs 1 to 42.

64. Violation of any law or statute that prohibits deceptive practices, or of any rule promulgated pursuant to the Federal Trade Commission Act, 15 U.S.C. §§ 41 et seq., constitutes a violation of the Deceptive and Unfair Trade Practices Act. Section 501.203(3), F.S.

65. The Mortgage Assistance Relief Services (MARS) rule, 12 C.F.R. § 1015 (2013), was promulgated pursuant to the Federal Trade Commission Act.

66. The MARS rule prohibits the collection of advance fees by entities that offer to obtain loan modifications or to avoid foreclosure on those loans (12 C.F.R. § 1015.5(a)); representations that a consumer should not communicate with his or her lender (12 C.F.R. § 1015.3(a)); misrepresentations of the likelihood of obtaining any service or result (12 C.F.R. § 1015.3(b)(1)); express or implied representations that a mortgage assistance relief services is associated with any government agency or governmental assistance program (12 C.F.R. § 1015.3(b)(3)); and representations concerning the efficacy of the mortgage assistance relief services without substantiating evidence (12 C.F.R. § 1015.3(c)).

67. The MARS rule further requires prominent disclosures that the service is not associated with the government (12 C.F.R. § 1015.4(a)(1)); that lenders may not agree to change loans (12 C.F.R. § 1015.4(a)(2)); and that the homeowner is under no obligation to pay the service if he or she does not accept an offer by the lender (12 C.F.R. § 1015.4(b)(1)).

68. Lawyers are exempted from the requirements of the MARS rule only if they provide mortgage assistance relief services as part of the practice of law; they are licensed to practice law in the state where the property in question is located or the consumer in question resides; if they comply with state laws and regulations; and if they keep consumer payments in a client trust account. 12 C.F.R. § 1015.7(a). This latter requirement includes compliance with state licensing and Bar requirements. Supplementary Information, Discussion of the Rule (8), 75 Fed. Reg. 7500, Dec. 1, 2010.

69. The Florida Bar rules include a prohibition on false or deceptive communications by a lawyer about the lawyer's services and on the promising of results (Rule 4-7.2); on soliciting employment by persons with whom the lawyer has no prior relationship (Rule 7.4); on the

collecting of fees for employment obtained through solicitations or advertising not in compliance with Bar rules (Rule 4-1.5(a)); on accepting referrals from any entity that receives money in exchange for the referrals (Rule 4-7.10); on splitting fees with a non-lawyer (Rule 4-5.4); and on offering money in exchange for the withdrawal of complaints (Rule 4-8.4). Florida Bar rules further require lawyers to properly supervise non-legal personnel (Rule 4-5.3); to act with diligence and promptness when representing clients (Rule 4-1.3); to keep clients informed and to comply promptly with requests for information (Rule 4-1.4); and to provide thorough, skillful and competent representation (Rule 4-1.1).

70. Defendants MADER, BATCHELER and MADER LAW GROUP violated the MARS rule by collecting advance fees after offering to obtain loan modifications or to avoid foreclosure; representing that consumers should not communicate with lenders, misrepresenting the likelihood of obtaining certain results and the efficacy of its services without evidence, suggesting associations with government assistance programs, failing to prominently disclose a lack of association with the government and failing to make other mandatory disclosures.

71. Defendants MADER and MADER LAW GROUP are not exempted from the requirements of the MARS rule because they did not provide mortgage assistance relief services as part of the practice of law; they are not licensed to practice law in the states where virtually all of the properties and consumers in question are located; and they have failed to comply with state laws including the Deceptive and Unfair Trade Practices Act and Section 501.1377 concerning foreclosure rescue and Bar rules including but not limited to Rules 4-1.5(a), 4-5.3, 4-5.4, 4-7.2, 4-7.4, 4-7.10 and 4-8.4.

## **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff, State of Florida, Department of Legal Affairs, Office of the Attorney

General respectfully requests that this Court:

- (a) Temporarily and permanently enjoin Defendants ERIC MADER, SEAN BATCHELER and MADER LAW GROUP from violating the Florida Unfair and Deceptive Trade Practices Act, Chapter 501, Part II, Florida Statutes;
- (b) Temporarily and permanently enjoin Defendants ERIC MADER, SEAN BATCHELER and MADER LAW GROUP from violating Section 501.1377, Florida Statutes;
- (c) Temporarily and permanently enjoin Defendants ERIC MADER, SEAN BATCHELER and MADER LAW GROUP from violating the Mortgage Assistance Relief Services (MARS) rule, 12 C.F.R. § 1015;
- (b) Order Defendants ERIC MADER, SEAN BATCHELER and MADER LAW GROUP to reimburse every consumer victimized by their deceptive, unfair and unconscionable business practices;
- (d) Order Defendants ERIC MADER, SEAN BATCHELER and MADER LAW GROUP to pay civil penalties pursuant to Sections 501.2075 and 501.2077;
- (e) Award the Attorney General reasonable attorney's fees and costs; and

- (f) Grant such other relief as this Court deems just and proper.

Respectfully submitted,

PAMELA JO BONDI  
ATTORNEY GENERAL

A handwritten signature in black ink that reads "Allison Finn". The signature is written in a cursive style and is positioned above a horizontal line.

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