

IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

**COMMONWEALTH OF PENNSYLVANIA,
By JOSH SHAPIRO, ATTORNEY GENERAL,**

CIVIL DIVISION

Petitioner,

v.

**MICHAEL A. RABEL & ASSOCIATES, LLC
and MICHAEL A. RABEL, Individually,**

**ASSURANCE OF
VOLUNTARY COMPLIANCE**

Respondents.

Filed on Behalf of Plaintiff:

COMMONWEALTH OF
PENNSYLVANIA

JOSH SHAPIRO
ATTORNEY GENERAL

Counsel of Record for this Party:

Amy L. Schulman
Senior Deputy Attorney General
PA I.D. No. 88088

Office of Attorney General
Bureau of Consumer Protection
6th Floor, Manor Complex
564 Forbes Avenue
Pittsburgh, PA 15219
(412) 564-3523

FILED

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COURT OF COMMON PLEAS
ALLEGHENY COUNTY, PA

WHEREAS, Michael A. Rabel is an adult individual residing at 319 Olympia Street, Pittsburgh, Pittsburgh, Pennsylvania 15211;

BACKGROUND

WHEREAS, from 2011 through 2015, Respondents were engaged in trade and commerce in the Commonwealth of Pennsylvania, by advertising, offering for sale and selling mortgage modification services to consumers located in Pennsylvania and nationwide;

WHEREAS, at all times relevant and material hereto, Respondent Rabel was the sole officer, director, owner and member of Michael A. Rabel & Associates, LLC and as such authorized, approved, endorsed, formulated, directed, controlled, and/or participated in the conduct alleged herein;

WHEREAS, from 2006 through 2016, Respondent Rabel was licensed to practice law in the Commonwealth of Pennsylvania under Attorney Identification Number 201443;

WHEREAS, at all times relevant and material hereto, the Commonwealth alleges Respondents provided mortgage modification services to consumers separate and apart from Respondent's Rabel's practice of law, which allegations Respondents deny;

WHEREAS, based upon its investigation, the Commonwealth alleges, and Respondents deny, that Respondents engaged in conduct in violation of the Consumer Protection Law, the Mortgage Licensing Act, 7 Pa.C.S.A. § 6101 *et seq.*, and the Federal Trade Commission's Mortgage Assistance Relief Services Rule ("MARS Rule"), 12 C.F.R. § 1015 *et seq.*, as more fully set forth below by:

1. Failing to provide mortgage modification services to consumers after accepting payment from consumers for said services;

2. Failing to issue refunds to consumers for mortgage modification services not rendered;
3. In connection with mortgage modification services, requesting or receiving payment from consumers before the consumers have executed a written agreement with the mortgage loan holder or servicer, incorporating the mortgage modification offer obtained by Respondents, in violation of Section 1015.5(a) of the MARS Rule, 12 C.F.R. § 1015.5(a);
4. In connection with mortgage modification services, failing to keep certain records for twenty-four (24) months from the date the documents were created, generated or received, in violation of Section 1015.9(a)(1)-(6) of the MARS Rule, 12 C.F.R. § 1015.9(a)(1)-(6);
5. Engaging in the “mortgage loan business” in the Commonwealth of Pennsylvania without a license, in violation of Section 6111(a) of the Mortgage Licensing Act, 7 Pa.C.S.A. § 6111(a);

WHEREAS, the aforesaid acts and practices constitute “unfair methods of competition” and/or “unfair or deceptive acts or practices,” as prohibited by Section 201-3 of the Consumer Protection Law, as defined by Section 201-2(4)(ii), (v), (ix), and (xxi):

1. Causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services, 73 P.S. § 201-2(4)(ii);
2. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has sponsorship, approval, status, affiliation or connection that he does not have, 73 P.S. § 201-2(4)(v);

3. Advertising goods and services with intent not to sell them as advertised; 73 P.S. § 201-2(4)(ix); and
4. Engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding, 73 P.S. § 201-2(4)(xxi);

WHEREAS, on April 21, 2016, upon Respondent Rabel's consent, the Supreme Court of Pennsylvania ordered a five year administrative suspension of Respondent Rabel's law license, as recommended by a three member panel of the Pennsylvania Disciplinary Board;

WHEREAS, Respondents agree to cease and desist from violating the Consumer Protection Law, the Mortgage Licensing Act and the MARS Rule and desire to comply with the civil laws of the Commonwealth; and

WHEREAS, this Assurance of Voluntary Compliance is accepted by the Commonwealth pursuant to Section 201-5 of the Consumer Protection Law, 73 P.S. § 201-5, in lieu of commencing statutory proceedings under Sections 201-4 or 201-8 of the Consumer Protection Law, 73 P.S. §§ 201-4, 201-8.

SETTLEMENT TERMS

NOW THEREFORE, having conducted trade and commerce within the Commonwealth, Respondents agree for themselves, their successors, assigns, agents, employees and all other persons acting on their behalf, directly or through any corporate or other business device, to the following:

I. The above recitals are incorporated herein as though fully set forth.

II. Injunctive and Affirmative Relief

A. Respondents shall comply with any and all provisions of the Consumer Protection Law and any amendments thereto; and, are permanently enjoined from any violation thereof.

B. Respondents shall comply with any and all provisions of the Mortgage Licensing Act and any amendments thereto; and, are permanently enjoined from any violation thereof.

C. Respondents shall comply with any and all provisions of the MARS Rule and any amendments thereto; and, are permanently enjoined from any violation thereof.

D. Respondents are permanently enjoined, individually or through any business entity, from engaging in the “mortgage loan business” in the Commonwealth, as defined by Section 6102 of the Mortgage Licensing Act, 7 Pa.C.S.A § 6102.

III. Monetary Relief

A. Respondent Rabel shall pay the Commonwealth the sum of FIFTEEN THOUSAND FIVE HUNDRED and 00/100 Dollars (\$15,500.00), which shall be allocated as follows:

1. **Restitution** in the amount of FOUR THOUSAND FIVE HUNDRED and 00/100 Dollars (\$4,500.00). The amount, manner and timing of distribution of restitution shall be in the sole discretion of the Commonwealth.
2. **Civil Penalties** in the amount of TEN THOUSAND and 00/100 Dollars (\$10,000.00) shall be distributed to the Commonwealth of Pennsylvania, Department of Treasury.
3. **Public Protection and Educational Purposes** in the amount of ONE THOUSAND and 00/100 Dollars (\$1,000.00) shall be distributed to the Commonwealth of Pennsylvania, Office of Attorney General, to be deposited into an interest-bearing account from which both principal and interest and shall be expended for public protection and educational purposes.

B. **Additional Restitution** - In the event that additional consumers file complaints with Commonwealth within sixty (60) days of the "Effective Date" of this Assurance of Voluntary Compliance, and those complaints establish a legitimate claim for restitution, Respondent Rabel agrees to pay restitution to those consumers within sixty (60) days of the Commonwealth's demand.

C. **Suspended Payments** – The civil penalties, set forth above in Paragraph III(A)(2) of this Assurance of Voluntary Compliance, shall be suspended and shall not become due and payable by Respondent Rabel to the Commonwealth unless and until a court determines that Respondents have engaged in acts or practices that violate any of the terms of this Assurance of Voluntary Compliance.

1. Should these suspended civil penalties be found by a court to be due and payable, the civil penalties shall become immediately due and owing by Respondent Rabel.
2. Respondent Rabel acknowledges that the requirement to pay this suspended amount, resulting from a violation of any of the terms of this Assurance of Voluntary Compliance, shall be in addition to, and not in lieu of, any other sanctions that may be imposed under Section 201-8 of the Consumer Protection Law or any other applicable statute or rule of law. 73 P.S. § 201-8(a).

D. **Payment Schedule** – Upon the signing of this Assurance of Voluntary Compliance, Respondent Rabel shall submit to the Commonwealth a payment of FIVE THOUSAND FIVE HUNDRED and 00/100 Dollars (\$5,500.00), in accordance with the payment obligations set forth in Paragraphs III(A)(1) and (3) herein.

E. **Form of Payment** - All payments made by Respondent Rabel to the

Commonwealth, pursuant to this Assurance of Voluntary Compliance, shall be in the form of a certified check, cashier's check, or money order made payable to the "Commonwealth of Pennsylvania, Office of Attorney General."

IV. Miscellaneous Terms

A. This Court shall maintain jurisdiction over the subject matter of this Assurance of Voluntary Compliance and over Respondents for the purpose of enforcing its terms.

B. Nothing in this Assurance of Voluntary Compliance shall be construed to waive any individual right of action by a consumer or a local, state, federal, or other governmental entity.

C. Pursuant to Section 201-5 of the Consumer Protection Law, 73 P.S. § 201-5, this Assurance of Voluntary Compliance shall not be considered an admission of violation for any purpose.

D. Time shall be of the essence with regards to Respondents' obligations hereunder.

E. Michael A. Rabel is the former sole manager of Michael A. Rabel & Associates, LLC and Respondent Rabel certifies that he is authorized to enter into and execute this Assurance of Voluntary Compliance on behalf of Respondent Michael A. Rabel & Associates, LLC.

F. Respondents further agree to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this Assurance of Voluntary Compliance, whether required prior to, contemporaneous with or subsequent to the Effective Date, as defined herein.

G. Respondents understand and agree that if they have made any false statement in or related to this Assurance of Voluntary Compliance, that such statement was made pursuant to and under penalty of 18 P.S. § 4904, relating to unsworn falsification to authorities.

H. This Assurance of Voluntary Compliance may be executed in any number of counterparts and by different signatories on separate counterparts, each of which shall constitute an original counterpart hereof and all of which together shall constitute one and the same document. One or more counterparts of this Assurance of Voluntary Compliance may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute as original counterpart hereof.

I. This Assurance of Voluntary Compliance sets forth all of the promises, covenants, agreements, conditions and understandings between the parties, and supersedes all prior and contemporaneous agreements, understandings, inducement or conditions, express or implied. There are no representations, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Assurance of Voluntary Compliance that are not fully expressed herein or attached hereto. Each party specifically warrants that this Assurance of Voluntary Compliance is executed without reliance upon any statement or representation by any other party hereto, except as expressly stated herein.

J. Respondents agree by the signing of this Assurance of Voluntary Compliance that they shall abide by each of the aforementioned provisions and that the breach of any one of those terms shall be sufficient warrant for the Commonwealth of Pennsylvania to petition this Court, or any court of competent jurisdiction, to assess the penalties provided under Section 201-8, 201-9, and 201-9.1, and to order any other equitable relief which the Court deems necessary or proper.

K. Any failure of the Commonwealth to exercise any of its rights under this Assurance of Voluntary Compliance shall not constitute a waiver of its rights hereunder.

L. The "Effective Date" of this Assurance of Voluntary Compliance shall be the day it is filed with the Court.

WHEREFORE, intending to be legally bound, the parties have hereto set their hands and seals.

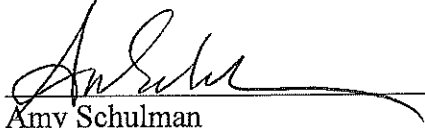
{SIGNATURES ON THE FOLLOWING PAGES}

For the Petitioner:

COMMONWEALTH OF PENNSYLVANIA
OFFICE OF ATTORNEY GENERAL

JOSH SHAPIRO
ATTORNEY GENERAL

Date: 3/13/2018

By: 
Amy Schulman
Senior Deputy Attorney General
PA Attorney I.D. No. 88088

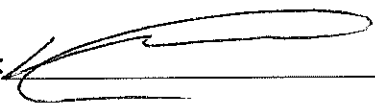
Office of Attorney General
Bureau of Consumer Protection
564 Forbes Avenue
6th Floor Manor Complex
Pittsburgh, PA 15219
412-565-3523

RESOLUTION OF MICHAEL A. RABEL & ASSOCIATES, LLC

The Resolution, set forth herein, was adopted on March 2, 2018 at a meeting of all members of Michael A. Rabel & Associates, LLC or by the person or persons designated by the members Michael A. Rabel & Associates, LLC to manage Michael A. Rabel & Associates, LLC, as provided in the articles of organization or in the operating agreement.

RESOLVED, that Michael A. Rabel, Manager of Michael A. Rabel & Associates, LLC is hereby authorized and empowered on behalf of Michael A. Rabel & Associates, LLC to enter into an Assurance of Voluntary Compliance with the Commonwealth of Pennsylvania, Office of Attorney General, in settlement of the *Commonwealth of Pennsylvania, Office of Attorney General v. Michael A. Rabel & Associates, LLC and Michael A. Rabel, Individually*, upon the terms and conditions contained in the Assurance of Voluntary Compliance attached hereto and made a part hereof.

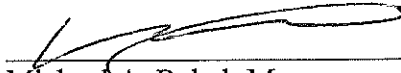
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By: 

For the Respondents:

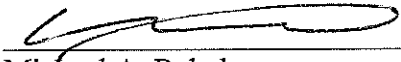
MICHAEL A. RABEL & ASSOCIATES,
LLC

Date: 3/2/18

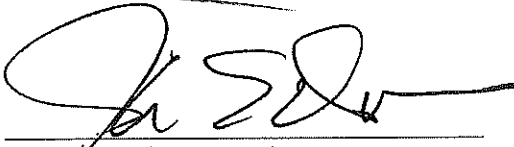
By: 
Michael A. Rabel, Manager

MICHAEL A. RABEL, INDIVIDUALLY

Date: 3/2/18

By: 
Michael A. Rabel

Date: 3/2/18

By: 
John E. Quinn, Esquire

Quinn Logue, LLC
200 First Ave., 3rd Floor
Pittsburgh, PA, 15222
Counsel for Respondents