



# ***NEWS RELEASE***

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## **Loan Modification Firm Surrenders License to California Department of Real Estate**

Los Angeles – A loan modification firm and its principals have surrendered their real estate licenses rather than fight charges of fraud and dishonest dealing filed by the California Department of Real Estate (DRE). In an action filed last June, the DRE accused Green Credit Solutions Inc. (Green Credit), and its designated broker, Jeffrey Alan Chiuminatta, and real estate salesperson Curtis James Melone, of illegally collecting advance fees from homeowners in exchange for loan modification services that were very rarely performed.

“Loan modification scams are particularly egregious as scammers prey on financially stressed and vulnerable homeowners who are often bilked out of their last few dollars,” stated Real Estate Commissioner Jeff Davi. “While getting the bad actors out of business is important, consumer education efforts and legislative changes are the key to keeping consumers from falling victim in the first place.”

In addition to the accusation, the DRE also issued a desist and refrain order to Brian LaRuffa and Christopher Fox, unlicensed corporate officers of Green Credit, ordering them to stop illegally providing services for which a real estate license is required, including loan modifications.

Green Credit also operated under the names of [www.getgreencredit.com](http://www.getgreencredit.com), [www.greencreditsolutions.com](http://www.greencreditsolutions.com), [www.gogreencredit.com](http://www.gogreencredit.com), [www.yournewcreditcompany.com](http://www.yournewcreditcompany.com), Green Credit Advisors, Green Credit Holdings, Green Credit Collections and Servicing, and Leads2Green.

The DRE and California State Bar investigated numerous consumer complaints and found that Green Credit collected advance fees for loan modification services but failed to perform the promised services, failed to provide refunds and/or failed to provide an accounting for the fees the consumers had paid. The investigation also revealed that, in some cases, Green Credit and its agents had consumers sign documents indicating the consumers would be represented by attorneys paid by Green Credit. However, only rarely did attorneys meet or communicate directly with the borrowers or perform loan modification services on behalf of the consumers. In December of last year, the State Bar seized the records of Green Credit based on its unauthorized practice of law.

In 2009, the DRE investigated more than 2,000 complaints involving loan-modification scams. Nearly 350 individuals and companies received a Desist and Refrain Order to stop illegal activity. All the loan modification actions have been posted on the DRE’s website as well as important consumer information on how to avoid falling victim to scams. In October of 2009, SB 94 was signed to law making it illegal to collect advance fees in connection with loan modification services.

This case has been a collaborative effort between the Department of Real Estate, the State Bar of California and the Orange County District Attorney’s office.

If you have a complaint against a lawyer, contact the State Bar Complaint Hotline at 1-800-843-9053. Complaint forms are available online at: [www.calbar.ca.gov](http://www.calbar.ca.gov).

For information about DRE and its programs, visit [www.dre.ca.gov](http://www.dre.ca.gov).

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