

## Mass Joinder Receivership

Questions for the Receiver? Send them to [info@massjoinderreceiver.com](mailto:info@massjoinderreceiver.com).

### November 11, 2014 – Receiver's Update

The case has not yet concluded due to Mitchel Stein's unrelated criminal case in Florida. That sentencing is now set for December. The California Attorney General and the State Bar have decided, nonetheless, to push forward. They will soon apply to the Court for approval of a Restitution Program. This plan, if approved, will be administered by the Receiver from funds remaining frozen in accounts of the Attorney Defendants. We will provide a link to the motion once it is filed.

If the Restitution Program is approved, the Receiver will commence implementation immediately. Since the available fund is not large (approximately \$600,000) and the projected number of claims is high, this restitution will not cover all amounts paid by clients to their attorney and will be paid out on a per capita basis.

As reflected in our May 22, 2014 update, the State Bar Client Security Fund may provide another source of recovery.

### May 22, 2014 – Restitution and Refunds Update

The Receiver's office has received numerous inquiries about possible refunds of fees paid to attorneys involved in the mass joinder litigation. There are two potential sources for refunds or restitution:

#### 1. Restitution Program to be Administered by the Receiver.

Although the case is not completely over, due to Mitchel Stein's criminal case in Florida, the California Attorney General and the State Bar will apply to the Court for approval of a Restitution Program to be administered by the Receiver from funds collected from the frozen accounts of the Attorney Defendants. Since the available fund is not large and the projected number of claims is high, this restitution will not cover all amounts paid by clients to their attorney. Once the formal Motion is filed, it will be posted on this website.

#### 2. State Bar Client Security Fund.

The Receivership Restitution Program is separate from the California State Bar's Client Security Fund ("CSF"). However, funds distributed from the Receivership Restitution Program may affect awards that consumers may receive from CSF. While consumers may be eligible to receive funds from both the Receivership Restitution Program and CSF, CSF exercises sole discretion to distribute funds to qualified applicants. For further information on CSF, go to: <http://www.calbar.ca.gov/Attorneys/LawyerRegulation/ClientSecurityFund.aspx>. (In the sidebar, see "Related Topics" and "Client Security Fund Application.")

### October 7, 2013 - Receiver's Update

With the filing on September 30, 2013 of a Final Judgment as to Defendant Philip Kramer and the Law Offices of Kramer and Kaslow, the underlying case filed by the California Attorney General is nearly complete. The only open issues relate to Defendant Mitchell Stein, who is presently incarcerated in Florida on unrelated federal securities charges. We anticipate that the case will be brought to a complete close in the next few months. At that time, the Receiver's work will be done. As to possible procedures for refunds, please see the Receiver's update of March 6, 2013 below.

### March 6, 2013 – Response to Inquiries About Refund Procedures

The Receiver's office has received many inquiries as to whether any form of refunds will be available to consumers who paid to participate in the mass joinder cases. Unfortunately, there is no simple answer, but we can provide the following general guidance.

#### State Bar Client Security Fund

The State Bar of California maintains a Client Security Fund which is funded by dues paid by licensed California lawyers. The purpose of the Fund is to reimburse clients who lose money due to a lawyer's dishonest conduct. The Fund has its own rules and procedures as to whether, and in what amount, an application for reimbursement will be granted. For further details on how to file a claim with the Fund, go to the State Bar's website at <http://www.calbar.ca.gov/Attorneys/LawyerRegulation/ClientSecurityFund.aspx>.

#### Receivership

The receivership is totally separate and unrelated to the State Bar Client Security Fund. At the same time that the State Bar took possession of the law practices of the attorneys involved in mass joinder, the California Attorney General filed a lawsuit against the attorneys and other "Non-Attorney" Defendants who provided sales and marketing support to the attorneys. The Receiver was appointed to take over operations of the Non-Attorney Defendants, but not over the law practices of the attorneys, which were taken over by the State Bar.

The Receiver has shut down the operations of these Non-Attorney Defendants. It is not yet clear whether there will be any net assets and, if there are, whether they would be available to fund any form of refunds to the victims of the mass joinder fraud. If any refund procedures are initiated by the receivership or the Attorney General's office, all consumers will be given notice of the procedures to then file a claim. You do not need to take any action at this time.

### December 6, 2012 - Receiver's Update

The Receiver has completed his primary operational duties – suspended, then terminated the operations of the Receivership Defendants (the Non-Attorney Defendants), secured the premises where the Receivership Defendants operated, and thereafter closed those premises and liquidated the furniture and equipment on-site; secured the records (paper and electronic) of the Receivership Defendants; and orchestrated implementation of the asset freeze as to the Receivership Defendants. The Receiver and his staff have also coordinated with the parties, as necessary, for investigation and discovery.

The litigation between the California Attorney General's office and the Defendants (both Attorney and Non-Attorney) and the parallel case of the State Bar against the Attorney Defendants are proceeding through the Los Angeles County Superior Court. The Receiver is not a party to that case and not directly involved in that litigation. The case is still in its early procedural stages.

### February 1, 2012 - Receiver's Update

Following a Status Conference on January 19, 2012, the Court issued a series of Orders as follows:

1. Approved the State Bar's Permanent Order to Assume Jurisdiction over the Law Practice of Philip Kramer dba Law Office of Kramer and Kaslow;
2. Ordered Philip Kramer to turn over his Mercedes vehicle to the Receiver;
3. Did not rule on the request of the Pate Marier Defendants to unfreeze a portion of their frozen funds because those Defendants withdrew their request for such an unfreezing at the time of the Status Conference;
4. Declined to order the withdrawal of the subpoenas served on the Pate Marier Defendants by the Receiver and stated that the Receiver's motion to enforce those subpoenas remains on calendar; and
5. Set the next Status Conference for April 19, 2012.

The Receiver has completed the closing of Defendants' facilities as authorized by the previous Orders of October 3, 2011 and October 25, 2011.

### December 1, 2011 – Receiver is Proceeding with Facilities Shut Down and Liquidation

After receiving Orders on October 3, 2011 and October 25, 2011 which authorized the shut down of the Defendants' facilities and liquidation of the furniture and equipment on site, the Receiver commenced that process and has been working through the issues with each individual landlord and orchestrating the best possible liquidation of the furniture and equipment. Unfortunately, in the current economy, the current market for used office furniture and equipment is saturated and we do not anticipate that the recovery from this liquidation process will be substantial. But, we are proceeding as prudently as possible to maximize the net return. We hope to complete this process by mid-December.

The Receiver is also reviewing all activities of the Non-Attorney Defendants and affiliates that worked with them to determine what additional remedies may be available that would provide a fund that might be available for mass joinder clients.

### December 1, 2011 – Notice to Clients of Attorneys in Mass Joinder Cases

The State Bar of California has taken possession of the law practices of Kramer and Kaslow, Mitchell J. Stein, Christopher Van Son, Paul Peterson (Mesa Law Group), and Anthony Kassar (Kassar Law Group).

For information as to the handling of your case going forward, you need to contact the State Bar at one of the numbers below:

Law Offices of Kramer and Kaslow: 213-765-1672

Mitchell J. Stein & Associates: 213-765-1639

Law Offices of Christopher Van Son: 213-765-1658

Paul W. Petersen: 213-765-1641

Law Offices of Anthony J. Kassar: 213-765-1637

### September 30, 2011

#### Receiver Seeking Court Approval to Dispose of Furniture and Equipment and Return Leased Offices to Landlords

The Receiver has applied to the Court for formal approval to commence the process of shutting down the various office sites of Defendants and returning the premises to the respective landlords. As part of that process, the Receiver will dispose of furniture and equipment on site acquired by Defendants as part of the business enterprise. The Receiver's application will be heard on Monday, October 3, 2011. Click [here](#) to read the Application.

### September 9, 2011

#### ATTENTION! Clients of the following law firms may contact the State Bar at the telephone numbers indicated below for information on your cases.

Law Offices of Kramer and Kaslow: 213-765-1672

Mitchell J. Stein & Associates: 213-765-1639

Law Offices of Christopher Van Son: 213-765-1658

Paul W. Petersen: 213-765-1641

Law Offices of Anthony J. Kassar: 213-765-1637

### September 7, 2011

#### Preliminary Injunction granted and Receiver appointment confirmed in California DOJ case; State Bar secures Interim Possession Order as to the law practice of Anthony Kassar dba Law Offices of Anthony Kassar and Kassar Law Group

Following a hearing on Friday, September 2, 2011 which was continued to Tuesday, September 6, 2011, the Superior Court in Van Nuys granted the California Department of Justice's application for a Preliminary Injunction and Asset Freeze and confirmation of the appointment of the Receiver. Click [here](#) to read a copy of the Order Confirming Appointment of Receiver and [here](#) for a copy of the Preliminary Injunction. As a result, the terms of the Temporary Restraining Order initially entered August 15, 2011 are no longer temporary.

On Wednesday, September 7, 2011, the Superior Court in Orange County granted the Ex Parte Application of the State Bar for an "Interim Order Assuming Jurisdiction over the Law Practice of Anthony J. Kassar." A copy of that Order can be accessed [here](#). Mr. Kassar's law practice is, therefore, now under the control of the State Bar. The State Bar will establish a dedicated phone number at the State Bar which Kassar clients can call for further information. We will post that number once it is set up.

### August 30, 2011

#### RECEIVER FILES PRELIMINARY REPORT

The Receiver has today filed his Preliminary Report with the Court. Click [here](#) to read. This report includes a lengthy Appendix of Exhibits that is too voluminous for posting on this site.

Paragraph 3 of the Order Appointing Receiver, filed August 15, 2011, specifically authorizes and directs the Receiver to "continue and conduct the business[es], or cease operation of the business[es]" of the Non-Attorney Defendants over which the Receiver has been appointed. Any continued operations were dependent upon the Receiver being able to determine that the businesses could be operated lawfully and profitably without violating the Court's Orders.

At Section V, pages 44-45, of the Preliminary Report, the Receiver responds to this direction with the conclusion that the business of the Non-Attorney Defendants cannot be operated lawfully and profitably at this juncture because these businesses "are so intertwined in illegal fee splitting, deceptive advertising, and illegal loan modifications that they cannot be operated lawfully."

As a result, the Receiver has suspended all operations at the sites of the Non-Attorney Defendants' businesses. That suspension will at minimum remain in effect until the Court holds its hearing and rules on the Order to Show Cause re Preliminary Injunction and Confirmation of Receiver. That hearing is scheduled for September 2, 2011 in Los Angeles Superior Court in Van Nuys.

### August 25, 2011

#### NOTICE TO CLIENTS OF KASSAS LAW GROUP

Attorney Kassar has taken possession of all client files which have a sale or court date in the next two weeks. Please contact Attorney Kassar for further assistance.

### August 23, 2011

#### NOTICE TO EMPLOYEES OF KASSAS LAW GROUP

Employees of the Kassar Law Group may come to the office between 12:00 noon and 2:00 p.m. on Wednesday, August 24, 2011 to retrieve your personal belongings.

### August 22, 2011

#### NOTICE TO CLIENTS OF KASSAS LAW GROUP

At a hearing today at 1:30 p.m., the Superior Court denied an application by Mr. Kassar to be lifted from the receivership. This does not mean, however, that the Receiver in any way represents you. Your attorney is still Kassar Law Group and Mr. Kassar. Within the next several days, the situation will be clarified as we await a decision by the State Bar.

### August 19, 2011

#### NOTICE TO CLIENTS OF KASSAS LAW GROUP

The Receiver will not have information about the handling of your cases until late Monday, August 22nd. Please check this website then.

#### NOTICE - 30 CORPORATE PARK, SUITES 400 AND 455, IRVINE, CA EMPLOYEES

Employees from the 30 Corporate Park, Suites 400 and 455, Irvine, CA location can stop by between 1:00 p.m. and 3:00 p.m., Friday, August 19, 2011 to pick up personal belongings.

### August 15, 2011

Los Angeles County Superior Court Issues Temporary Restraining Order and Asset Freeze and Appoints Receiver as to Multiple Defendants Operating Mass Joinder Litigation Business On August 15, 2011, the California Department of Justice filed an action against multiple parties involved in the solicitation and management of so-called "Mass Joinder" litigation against major mortgage lenders in the United States. The Superior Court immediately issued a Temporary Restraining Order and Asset Freeze and appointed Thomas W. McNamara of San Diego as the Receiver over the defendants and/or the defendants' assets.

Defendants named in the complaint are: Attorneys Processing Center, LLC, also doing business as Attorney Processing Center, and Processing Center, Data Management, LLC; Home Retention Division; Law Offices of Kramer and Kaslow, also doing business as K2 Law, Mass Litigation Alliance, and Consolidated Litigation Group; Mesa Law Group Corp.; Mitchell J. Stein & Associates, Inc.; Mitigation Professionals, LLC, also doing business as K2 Law; Lewis Marketing Corp.; Pate, Marier and Associates, Inc.; Clarence Butt; Gary DiGirolamo; Philip Kramer; Ryan Marier; James Pate; Paul Petersen; Thomas Phanco; Glen Reneau; Mitchell Steinel also doing business as Mitchell J. Stein & Associates; Bill Stephenson; Michael Tapia also doing business as Customer Solutions Group, and Home Retention Division; and, Christopher Van Son, also doing business as the Law Offices of Christopher J. Van Son, and Consolidated Litigation Group.

The Complaint filed by the California Attorney General's office alleges that the defendants prey on desperate consumer homeowners facing foreclosure and the loss of their homes by selling them participation in so-called mass joinder or multi-plaintiff lawsuits against mortgage lenders. The Complaint alleges that in doing this, defendants engaged in multiple unfair business practices, including false and misleading advertising and the illegal use of non-attorneys to solicit and procure business for a lawyer or law firm.

The Receiver has established this website as a vehicle for information to consumers. We will place regular updates on this website as the matter progresses.

Click [here](#) to read the Complaint filed by the California Department of Justice. Click [here](#) to read the Temporary Restraining Order and Asset Freeze. Click [here](#) to read the Order Appointing Receiver. The court has set September 2, 2011 at 1:30 pm as the time for the hearing on whether a Preliminary Injunction should be issued and whether the appointment of a Receiver should be confirmed.

### Documents

[Ex Parte Application for Order Authorizing Receiver to Close Facilities](#)

[Order Confirming Appointment of Receiver](#)

[Preliminary Injunction](#)

[Order to Show Cause & Interim Orders Assuming Jurisdiction Over Kassar Law Practice](#)

[Preliminary Report of Receiver](#)

[August 18, 2011 CA Attorney General's Press Release](#)

[Complaint filed by California Department of Justice](#)

[Temporary Restraining Order and Asset Freeze](#)

[Order Appointing Receiver](#)

NOTICE TO EMPLOYEES OF DEFENDANTS - the Receiver has temporarily suspended operations of the businesses of defendants and their affiliates. You will be given a chance to retrieve your personal property from the office. Details will be posted here or via phone calls from your supervisors.