

**FILED**  
LOS ANGELES SUPERIOR COURT

SEP 6 2011  
JOHN A. CLARKE, CLERK  
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BY S. SKORICH, DEPUTY

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

THE LAW OFFICES OF KRAMER AND KASLOW, a California professional law corporation and also doing business as K2 LAW, MASS LITIGATION ALLIANCE and CONSOLIDATED LITIGATION GROUP; PHILIP ALLEN KRAMER, an individual; MITCHELL J. STEIN & ASSOCIATES, INC., a California corporation; MITCHELL J. STEIN, an individual and doing business as MITCHELL J. STEIN & ASSOCIATES; CHRISTOPHER VAN SON, an individual and doing business as THE LAW OFFICES OF CHRISTOPHER J. VAN SON and CONSOLIDATED LITIGATION GROUP; MESA LAW GROUP CORP., a California corporation; PAUL WARREN PETERSEN, an individual; ATTORNEYS PROCESSING CENTER, LLC, a California limited liability company and also doing business as ATTORNEY PROCESSING CENTER and PROCESSING CENTER; DATA MANAGEMENT, LLC, a California limited liability company; GARY DIGIROLAMO, an individual; BILL MERRILL STEPHENSON,

Case No. LC094571

~~PROPOSED~~ PRELIMINARY INJUNCTION

Lodged: September 6, 2011

Rec'd NW Q  
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1 an individual; MITIGATION  
2 PROFESSIONALS, LLC, a California limited  
3 liability company, and doing business as K2  
4 LAW; GLEN RENEAU, an individual; PATE,  
5 MARIER AND ASSOCIATES, INC., a  
6 California corporation; JAMES ERIC PATE,  
7 an individual; RYAN WILLIAM MARIER, an  
8 individual; HOME RETENTION DIVISION, a  
9 business organization of unknown form;  
10 MICHAEL ANTHONY TAPIA, an individual  
11 and doing business as CUSTOMER  
12 SOLUTIONS GROUP and HOME  
13 RETENTION DIVISION; LEWIS  
14 MARKETING CORP., a California  
15 corporation; CLARENCE JOHN BUTT, an  
16 individual; THOMAS DAVID PHANCO, an  
17 individual; and DOES 1 through 100,  
18 inclusive,

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Defendants.

1 On Sept. 2 and 6, 2011, the Court conducted an Order to Show Cause hearing  
2 for Defendants to show cause, if any, why a preliminary injunction should not be issued in accord  
3 with the Temporary Restraining Order, Asset Freeze and an Order to Show Cause re: Preliminary  
4 Injunction entered by the Court on August 15, 2011.

5 The People represented to this Court that while they contend their civil prosecution of  
6 Defendants Mitchell J. Stein or Mitchell J. Stein & Associates, Inc. is excepted from any  
7 bankruptcy stay pursuant to 11 U.S.C. § 362(b)(4) as an exercise by a governmental unit of a  
8 police power, and notwithstanding the appointment of the Receiver and the asset freeze ordered  
9 by the Court, they will not attempt to seize or take any action as to the 2003 Mercedes owned by  
10 defendant Stein, VIN WDBSK74F03F031100 and license plate No. 5FPF872, or any other  
11 personal property of defendant Stein, without first obtaining an appropriate order from the United  
12 States Bankruptcy Court for the Southern District of Florida, West Palm Beach Division.

13 <sup>With the exceptions noted on the record,</sup>  
14 ~~On~~ reading the complaint in this matter, the People's *ex parte* application, the memoranda  
15 of points and authorities and declarations and exhibits thereto submitted in support of and in  
16 opposition to the People's Ex Parte Application for a Temporary Restraining Order, Asset Freeze  
17 and an Order to Show Cause re: Preliminary Injunction, and the preliminary report of the court-  
18 appointed receiver, and considering the arguments and representations of counsel, the Court  
19 orders as follows:

### 20 ORDER

#### 21 RESTRICTIONS ON BUSINESS ACTIVITIES

22 IT IS ORDERED that, pursuant to Business and Professions Code sections 17203 and  
23 17535 and Government Code section 12527, Defendants and their agents, employees, officers,  
24 representatives, successors, partners, assigns, and those acting in concert or in participation with  
25 them, whether acting directly or through any corporation, subsidiary, division, or other device, are  
26 enjoined from committing or performing the following acts:

27 1. Making or causing to be made, or assisting others who are making or causing to be  
28 made, any untrue or misleading statements to consumers, in connection with any proposed or  
actual lawsuit or settlement with their home mortgage lender, including, but not limited to, any

1 misrepresentations that state or imply that:

2 a. Defendants obtained a settlement of such a lawsuit, or that such settlement  
3 is imminent or likely to occur;

4 b. Defendants have filed such a lawsuit against a lender if no such lawsuit has  
5 been filed;

6 c. Such proposed or actual lawsuit will provide, or is likely to provide,  
7 outcomes including the following:

8 (1) a certain fixed rate for the life of the loan (e.g., 2% fixed rate);

9 (2) a loan principal reduction (e.g., to 70% or 80% of the value of  
10 the property);

11 (3) foreclosure protection (e.g., stopping or delaying  
12 foreclosures);

13 (4) actual or punitive damages;

14 (5) obtaining homes free and clear of any mortgage or loan  
15 obligation; and

16 (6) elimination of any negative reporting to a credit agency;

17 d. Such lawsuit has obtained the following relief for consumers:

18 (1) a certain fixed rate for the life of the loan (e.g., 2% fixed rate);

19 (2) a loan principal reduction (e.g., to 70% or 80% of the value of  
20 the property);

21 (3) foreclosure protection (e.g., stopping or delaying  
22 foreclosures);

23 (4) actual or punitive damages;

24 (5) obtaining homes free and clear of any mortgage or loan  
25 obligation; or

26 (6) elimination of any negative reporting to a credit reporting agency;

27 e. Specifically regarding the mass joinder lawsuit *Ronald v. Bank of America*  
28 (Los Angeles County Superior Court Case No. BC409444) filed on March 12, 2009 (*Ronald*):

(1) Defendants obtained court injunctions for consumers in  
*Ronald*;

(2) Defendants obtained court orders rescinding notices of  
default for consumers in *Ronald*;

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- (3) the court in *Ronald* has told the banks they have no defense or that the banks' main argument is absurd;
- (4) joining *Ronald* or any lawsuit against the consumer's mortgage lender will stop a foreclosure sale;
- (5) joining *Ronald* or any lawsuit against the consumer's mortgage lender will stop any negative reporting to the credit rating agencies;
- (6) Defendants obtained victories at each stage of *Ronald* and are prevailing in that case or in other mass joinder lawsuits;
- (7) a federal judge called the bank's primary argument absurd and kicked the bank out of Federal Court, or other statements to that effect; or
- (8) consumers in *Ronald* or in other mass joinder lawsuits had their homes awarded to them free and clear;

f. A specific number or percentage of mass joinder cases receive a successful result or other statements to that effect;

2. Violating Business and Professions Code sections 6151 and 6152, by (a) engaging in "running and capping," the practice of a non-attorney acting for consideration, in any manner or capacity, as an agent for an attorney or law firm, in the solicitation or procurement of business for the attorney or law firm, or (b) soliciting non-attorneys to commit or join in running and capping; and

*operating for the direct purpose of*

3. Violating Business and Professions Code section 6155, by (a) as a non-attorney, directly or indirectly referring potential clients to an attorney or law firm without seeking registration as a lawyer referral service by the State Bar, or (b) as an attorney, in accepting referrals of such potential clients.

IT IS FURTHER ORDERED that, pursuant to Business and Professions Code sections 17203 and 17535 and Government Code section 12527, Defendants The Law Offices of Kramer and Kaslow, a California professional law corporation and also dba K2 Law, Mass Litigation Alliance, and Consolidated Litigation Group; Philip Allen Kramer, an individual; ~~Mitchell J.~~

*(collectively "Attorney Defendants" or "Attorney Defendants")*

1 ~~Stein & Associates, Inc., a California corporation; Mitchell I. Stein, an individual and dba~~  
2 ~~Mitchell I. Stein & Associates~~; Christopher Van Son, an individual, and dba The Law Offices of  
3 Christopher J. Van Son and Consolidated Litigation Group; Mesa Law Group Corp., a California  
4 corporation; Paul Warren Petersen, an individual; any dba, successor, affiliate, subsidiary, or  
5 other entity owned, controlled, managed, or held by or on behalf of, or for the benefit of, any of  
6 them; and their agents, employees, officers, representatives, successors, partners, assigns, and  
7 those acting in concert or in participation with them, whether acting directly or through any  
8 corporation, subsidiary, division, or other device, are also enjoined from committing or  
9 performing the following acts:

10 1. Disseminating, using, relying on, or directing or allowing others to disseminate,  
11 use, or rely on:

12 a. any advertisement containing any false, misleading or deceptive statement  
13 or the omission of any fact necessary to make the statements made, in light of the circumstances  
14 under which they are made, not false, misleading, or deceptive, in violation of Business and  
15 Professions Code section 6157.1;

16 b. any advertisement containing or referring to any guarantee or warranty  
17 regarding the outcome of a legal matter as a result of representation by an attorney, any agent of  
18 the attorney, or any law firm or law corporation doing business in the State of California, in  
19 violation of Business and Professions Code section 6157.2, subdivision (a);

20 c. any advertisement containing or referring to any statements or symbols  
21 stating that the attorney or any law firm or law corporation doing business in the State of  
22 California featured in the advertisement can generally obtain immediate cash or quick settlements,  
23 in violation of Business and Professions Code section 6157.2, subdivision (b);

24 d. any advertisement made on behalf of an attorney or any law firm or law  
25 corporation doing business in the State of California and not paid for by the attorney, law firm, or  
26 law corporation that fails to disclose the business relationship, past or present, between the  
27 attorney and the person paying for the advertisement, in violation of Business and Professions  
28 Code section 6157.3; or

1 e. any false, misleading or deceptive advertisement for an attorney or any law  
2 firm or law corporation doing business in the State of California by electronic media, in violation  
3 of Business and Professions Code section 6158;

4 2. Failing to make required disclosures concerning the factual and legal  
5 circumstances of results in particular cases, in violation of Business and Professions Code section  
6 6158.3;

7 3. Directly or indirectly sharing legal fees with a non-attorney, in violation of  
8 California Rules of Professional Conduct, rule 1-320(A);

9 4. Compensating persons or entities for the purpose of securing employment or as a  
10 reward for having made a recommendation resulting in the employment of any Attorney  
11 Defendant by a client, in violation of California Rules of Professional Conduct, rule 1-320(B);

12 5. Aiding persons or entities in the unauthorized practice of law, in violation of  
13 California Rules of Professional Conduct, rule 1-300(A);

14 6. Making a communication that is false, deceptive and tending to mislead the public,  
15 and failing to indicate clearly that their communications are advertisements, in violation of  
16 California Rules of Professional Conduct, rule 1-400(D); and

17 7. Failing to provide prompt refunds, in violation of California Rules of Professional  
18 Code, rule 3-700(D)(2).

19 IT IS FURTHER ORDERED that, pursuant to Business and Professions Code sections  
20 17203 and 17535 and Government Code section 12527, Defendants Attorneys Processing Center,  
21 LLC, a California limited liability company and also dba Attorney Processing Center and  
22 Processing Center; Data Management, LLC, a California limited liability company; Gary  
23 DiGirolamo, an individual; Bill Merrill Stephenson, an individual; Mitigation Professionals, LLC,  
24 a California limited liability company and dba K2 Law; Glen Reneau, an individual; Pate, Marier  
25 and Associates, Inc., a California corporation; James Eric Pate, an individual; Ryan William  
26 Marier, an individual; Home Retention Division, a business organization of unknown form;  
27 Michael Anthony Tapia, an individual and dba Customer Solutions Group and Home Retention  
28 Division; Lewis Marketing Corp., a California corporation; Clarence John Butt, an individual;

1 Thomas David Phanco, an individual; any dba, successor, affiliate, subsidiary, or other entity  
2 owned, controlled, managed, or held by or on behalf of, or for the benefit of, any of them; and  
3 their agents, employees, officers, representatives, successors, partners, assigns, and those acting  
4 in concert or in participation with them, whether acting directly or through any corporation,  
5 subsidiary, division, or other device, are also enjoined from committing or performing the  
6 following acts:

7 1. Violating Business & Professions Code section 6125 prohibiting the unauthorized  
8 practice of law, including, but not limited to:

9 a. Providing advice regarding the relief one can obtain by joining a lawsuit  
10 against their lender;

11 b. Providing advice regarding legal settlements;

12 c. Providing advice regarding the impact of the lawsuit on the foreclosure  
13 process;

14 d. Having consumers sign attorney retainer agreements without consulting  
15 with an attorney;

16 e. Having consumers pay attorneys' fees without consulting with an attorney;

17 and

18 f. Adding consumers to any lawsuit without consulting with an attorney;

19 2. Operating as telephonic sellers, as defined in Business & Professions Code section  
20 17511.1, without a certificate of registration from the Department of Justice as required by  
21 Business & Professions Code section 17511.3; and

22 3. Operating as telephonic sellers without obtaining and maintaining a surety bond as  
23 required by Business & Professions Code section 17511.12.

24 **ASSET FREEZE**

25 IT IS FURTHER ORDERED that, except as otherwise ordered by the Court, an  
26 immediate freeze shall be placed on all monies and assets in all accounts at any bank, financial  
27 institution, or brokerage firm, all certificates of deposit, and any other funds or assets, held in the  
28 name of, for the benefit of, or containing funds in which any Defendant purports to own any



1 interest, or over which account authority is held by any Defendant, or any trust, partnership, joint  
2 venture, person, or entity associated with any Defendant, or containing funds derived directly or  
3 indirectly in the name of any Defendant, as of the date of the Complaint, including, but not  
4 limited to, the following:

5 1. Any money or other consideration that any Defendant has received or will receive  
6 from consumers in connection with any purported or actual lawsuit or settlement with their  
7 lenders;

8 2. Any accounts maintained at any financial institution into which any Defendant,  
9 their agents, employees, officers, representatives, successors, partners, assigns, and those acting  
10 in concert or in participation with them, whether acting directly or through any corporation,  
11 subsidiary, division, or other device, deposited any of this money;

12 3. Any profits derived from this money;

13 4. Any real property purchased or maintained, in whole or in part, by any of this  
14 money, or which otherwise may be used to satisfy a judgment in this action;

15 5. Any personal property purchased or maintained, in whole or in part, by any of this  
16 money, or which otherwise may be used to satisfy a judgment in this action; and

17 6. ~~Any money or other consideration that any Defendant has received or will receive~~  
18 ~~as a result of any proposed or actual lawsuit or settlement, including, but not limited to, money or~~  
19 ~~other consideration obtained from consumers, potential clients, existing clients, and named~~  
20 ~~plaintiffs.~~

21 IT IS FURTHER ORDERED that within five (5) business days following service of this  
22 Order, each Defendant shall, unless they have already done so:

23 1. Repatriate to the United States all funds, documents, or assets in foreign countries  
24 held either by them, for their benefit, or under their direct or indirect control, jointly or singly, and

25 a. Notify the People and the receiver appointed in this action (Receiver) of  
26 the name and location of the financial institution or other entity that is the recipient of such funds,  
27 documents, or assets; and

28 b. Serve this Order on any such financial institution or other entity;

1           2.     Provide the People and Receiver with a full accounting of all funds, documents,  
2 and assets outside of the territory of the United States held ~~either~~ by them, for their benefit, or  
3 under their direct or indirect control, jointly or singly; and

4           3.     Hold and retain all repatriated funds, documents, and assets and prevent any  
5 transfer, disposition, or dissipation whatsoever of any such assets or funds.

6           IT IS FURTHER ORDERED that Defendants are hereby enjoined, until further order of  
7 this Court, from:

8           1.     Transferring, encumbering, selling, concealing, pledging, hypothecating, assigning,  
9 creating a security interest in, mortgaging, spending, withdrawing, disbursing, conveying, gifting,  
10 devising, concealing, secreting, dissipating, or otherwise disposing of any funds, property, coins,  
11 shares of stock, or other assets subject to the asset freeze, wherever located, that are (a) owned in  
12 whole or in part or controlled by any Defendant, in whole or in part, (b) in the actual or  
13 constructive possession of any Defendant, (c) held by an agent of any Defendant on its behalf, or  
14 (d) owned, controlled by, or in the actual or constructive possession of, or otherwise held for the  
15 benefit of, any Defendant or any corporation, partnership, or other entity directly or indirectly  
16 owned or controlled by any Defendant, as of the date of this Order;

17           2.     Committing or permitting any waste on any property subject to the asset freeze or  
18 any part thereof;

19           3.     Doing any act which will, or which will tend to, impair, defeat, divert, prevent, or  
20 prejudice the preservation of the property subject to the asset freeze or its income, rents, issues,  
21 profits, proceeds, sales, and all other monies arising therefrom;

22           4.     Collecting or attempting to collect payment, in whole or in part, from any  
23 consumer who hired Defendants prior to the entry of this Order;

24           5.     ~~Opening or causing to be opened any safe deposit boxes titled in the name of any~~  
25 ~~Defendant or subject to access by any Defendant, or~~

26           6.     ~~Incurring charges or cash advances on any credit or debit card issued in the name,~~  
27 ~~singly or jointly, of any Defendant, or any corporation, partnership, or other entity directly or~~  
28 ~~indirectly owned or controlled by any Defendant.~~

1 The freeze imposed by this Order shall not be construed to prohibit the State Bar of  
2 California from disbursing funds that are held in trust fund accounts or client funds  
3 accounts established pursuant to Rule 4-100 of the California Rules of Professional  
4 Conduct and that are held for the benefit of legal services clients.

5 **PRESERVATION OF RECORDS AND TANGIBLE THINGS**

6 IT IS FURTHER ORDERED that Defendants and their agents, employees, officers,  
7 representatives, successors, partners, assigns, and those acting in concert or in participation  
8 with them, whether acting directly or through any corporation, subsidiary, division, or other  
9 device, are enjoined from:

10 1. Destroying, secreting, defacing, transferring, or otherwise altering or  
11 disposing, in any manner, directly or indirectly, any documents that relate to the business  
12 practices or business or personal finances of any Defendant or any other entity directly or  
13 indirectly under the control of any Defendant; or

14 2. Failing to create and maintain books, records, and accounts which, in  
15 reasonable detail, accurately, fairly, and completely reflect the income, assets,  
16 disbursements, transactions, and use <sup>of</sup> monies by any Defendant or any other entity  
17 directly or indirectly under the control of any Defendant.

18 **BOND**

19 IT IS FURTHER ORDERED that, in accordance wit Code of Civil Procedure section  
20 995.220, subd. (a), no bond is required of Plaintiff.

21 *IT IS FURTHER ORDERED that the hearing on the OSC as  
22 to Le Mitchell J. Stein and Mitchell J. Stein & Associates is continued to Sept.  
23 29, 2011*

24 DATED:

*Sept 6, 2011*

By:

Judge of the Superior Court

*at 8:30  
a.m. in  
this Dpt.*



The document to which this certificate is attached is a full, true and correct copy of the original on file and of record in my office.

SEP 06 2011

Attest  
EDWARD M. KRITZMAN, Executive Officer/Clerk  
of the Superior Court of California, County  
of Los Angeles.

By: Deputy