PRESS RELEASE

Jury finds 2 defendants guilty of participating in nationwide foreclosure rescue scam

Thursday, December 1, 2022

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U.S. Attorney's Office, Southern District of Ohio

CINCINNATI – A federal jury has convicted two individuals of crimes related to their participation in a foreclosure rescue scheme that defrauded at least 780 financially distressed homeowners throughout the United States. The defendants preyed on homeowners who had defaulted on their mortgages and convinced the victims to pay to take part in fraudulent programs on the promise it would save their homes.

Lorin Kal Buckner, 66, of Hamilton, Ohio, and Dessalines Sealy, 59, of Brooklyn, New York, were two of four defendants who began trial in federal court in Cincinnati on Nov. 14. The other two trial defendants – Joel Harvey, 40, of Cincinnati, and Garrett Stevenson, 45, of Cincinnati – pleaded guilty during the trial.

Buckner and Sealy’s verdicts were announced today following the trial before Senior U.S. District Judge Michael R. Barrett.

Buckner, Sealy, Harvey and Stevenson are four of 13 total defendants in this case.

According to court documents and trial testimony, from 2013 through 2018, the defendants took advantage of homeowners’ desperation to save their homes and used money from homeowner victims to personally enrich themselves.

“The defendants took advantage of folks’ financial despair and emotional vulnerabilities to fill their own pockets,” said U.S. Attorney Kenneth L. Parker. “It was a priority for our office and our law enforcement partners to address this nationwide foreclosure scheme.”

Co-conspirators used companies to engage in a multi-level marketing scheme. The companies named in this case include:

- MVP Home Solutions, LLC, also known as
    - Stay In or Walk Away;
- Bolden Pinnacle Group Corp., also known as
    - Home Advisory Services Network
    - Home Advisory Services Group Inc.; and
- Silverstein & Wolf Corp.

Defendants promised affiliates commissions by recruiting distressed homeowners to the above-named companies.

They used multiple ways to recruit affiliates, including conference calls and direct mailings. For example, some co-conspirators hosted weekly conference calls where participants from across the country dialed in to hear details of the scheme and share sales strategies. During the calls, defendants encouraged affiliates to recruit homeowners to their companies on the promise of easy money.

Affiliates were encouraged to be aggressive in recruiting homeowners. Affiliates used online databases and court records to identify vulnerable, financially distressed homeowners who had recently received notice of foreclosure on their home.

Co-conspirators mailed more than 56,000 postcards in the Southern District of Ohio and elsewhere promising that they could "stop foreclosure" or "stop the sheriff sale" for a fixed fee. Co-conspirators also reached out to homeowners using Craigslist ads, websites, email and social media platforms.

On the promise of reducing or eliminating mortgage obligations in exchange for a fee, initial recruiters would collect payments from homeowners and refer the victims to the co-conspirator companies.

Among other things, the referral programs promised:

- to negotiate with mortgage lenders on the homeowners' behalf for the purchase of the mortgage notes at a discount;
- to negotiate the sale of their home and release of their mortgage loans through a short sale and/or deed in lieu of foreclosure sale;
- to stop an imminent foreclosure sale;
- to remove the mortgage lien via a tender offer; and
- achieve short sale prices at a fraction of the value of the outstanding lien/note.

Further, defendants represented that they had “proprietary” methods or “legal tactics” to help homeowners stall or completely avoid foreclosure. In actuality, the defendants persuaded homeowners to file chapter 13 bankruptcies to delay foreclosure actions.

Defendants filed skeletal bankruptcy petitions that they called “pump fakes” or “missiles,” These petitions intentionally failed to disclose the co-conspirators as preparers giving the appearance that the homeowners had filed the petitions pro se. Any relief from foreclosure delay was temporary until the bankruptcy court dismissed the proceeding.

The jury convicted Buckner and Sealy of conspiracy to commit mail and wire fraud as well as conspiracy to commit bankruptcy fraud.

Kenneth L. Parker, United States Attorney for the Southern District of Ohio; Robert Manchak, Special Agent in Charge, Federal Housing Finance Agency - Office of Inspector General (FHFA-OIG), Northeast Region; J. William Rivers, Special Agent in Charge, Federal Bureau of Investigation (FBI), Cincinnati Division; Lesley C. Allison, Inspector in Charge, U.S. Postal Inspection Service (USPIS), Pittsburgh Division; and Philip R. Bartlett, Inspector in Charge, USPIS, New York Division, announced today’s verdict. Assistant United States Attorneys Ebunoluwa A. Taiwo and Timothy S. Mangan are representing the United States in this case.

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Updated December 1, 2022