
THE HOFFMAN LAW GROUP

TO: ALL CLIENTS OF THE HOFFMAN LAW GROUP
FROM: MARK J. BERNET, RECEIVER
SUBJECT: STATUS OF LITIGATION AGAINST THE HOFFMAN LAW GROUP
DATE: MAY 7, 2015

STATUS OF LITIGATION AGAINST THE HOFFMAN LAW GROUP

Most of the recipients of this e-mail are aware of the lawsuit brought against The Hoffman Law Group and others by the Consumer Financial Protection Bureau and the Florida Attorney General's office. My e-mail and memorandum to you of November 11, 2014, summarized the status of the case as of that date. The purpose of this memorandum is to provide updated information. Further information, as well as copies of some of the court papers, can be viewed at my website, www.bernet-receiver.com.

As Receiver, my role was (i) to take control of The Hoffman Law Group and the various related companies and secure their assets, (ii) to investigate The Hoffman Law Group and the various companies to determine whether they were operating legitimate businesses or whether they were operating in violation of state or federal law, and (iii) to report the findings of my investigation to the Court. As I reported to you previously, I concluded that the companies were not operating in compliance with state or federal law, and I determined that they should be shut down. On September 18, 2014, I filed my *Receiver's Initial Report* with the Court, detailing my investigation, opinions and conclusions as of that date. The report is posted on my website, where you may view it. It provides a comprehensive discussion of how Hoffman Law and the other Defendants operated. I have since filed two updated reports with the Court, copies of which also can be viewed on my website.

I. JUDGMENTS AGAINST HARPER AND WILLCOX

On May 5, 2015, the Court entered final judgments against the Defendants Michael Harper and Benn Willcox. Copies of the judgments are, or shortly will be, posted on my website. The judgments reflect an agreement reached between the CFPB and the Florida Attorney General, on the one hand, and Harper and Willcox, on the other. In deciding to enter into the agreed judgments the CFPB and the Florida Attorney General conducted a substantial investigation regarding Harper and Willcox's personal financial situations and concluded, given that I have already taken possession of essentially all of the money that remained under their control, that the judgments would leave Harper and Willcox with very little. Among other things, the judgments:

- Permanently prohibit Harper and Willcox from working in the fields of Consumer Financial Products or Services, including Mortgage Assistance Relief Products or Services, Credit Repair Products or Services, or Debt Relief Products or Services;
- Permanently prohibit Harper and Willcox from working in any telemarketing business, except that after five years they would be permitted to apply for a Commercial Telephone Salesperson license under Florida law;
- Permanently prohibit Harper and Willcox from obtaining, using or disclosing any consumer information; and
- Require Harper and Willcox to file annual reports with the CFPB and the Florida Attorney General.

The judgments also find that Harper and Willcox are liable to the CFPB and the Florida Attorney General for \$11,730,579, which is the total amount that The Hoffman Law Group collected from its consumer clients while it operated. However, the judgment amount will be suspended so long as Harper and Willcox comply with the terms of the judgments. This agreement reflects the fact that I have already collected most of the cash that was still in their possession. Harper and Willcox also will be required to surrender to me some of their personal belongings, consisting mostly of jewelry, so that I can sell it at an auction sale. This is discussed further in Section III below.

II. JUDGMENT AGAINST MARC HOFFMAN

On May 6, 2015, the Court entered a final judgment against Marc Hoffman. A copy of that judgment is, or shortly will be, posted on my website (www.bernet-receiver.com). The judgment reflects an agreement reached between the CFPB and the Florida Attorney General, on the one hand, and Hoffman, on the other. In deciding to enter into the agreed judgment the CFPB and the Florida Attorney General conducted a substantial investigation regarding Hoffman's personal financial situation and, given that I have already taken possession of essentially all of the money that remained under his control, concluded that the judgment would leave Hoffman with very little. Among other things, the judgment:

- Permanently prohibits Hoffman from providing any Mortgage Assistance Relief Products or Services, Credit Repair Products or Services, or Debt Relief Products or Services;
- Permanently prohibits Hoffman from working in any telemarketing business, unless he obtains a Commercial Telephone Salesperson license under Florida law (it is unlikely that he would ever be granted any such license);
- Permanently prohibits Hoffman from obtaining, using or disclosing any consumer information; and
- Requires Hoffman to file annual reports with the CFPB and the Florida Attorney General.

The judgment also finds that Hoffman is liable to the CFPB and the Florida Attorney General for \$11,730,579, which is the total amount that The Hoffman Law Group collected from its consumer clients while it operated, less refunds paid. However, the judgment amount will be suspended so long as Hoffman complies with the terms of the judgment. This agreement reflects the fact that I have already collected most of the cash that was still in Hoffman's possession.

Meanwhile, in response to numerous complaints filed against him with the Florida Bar, Hoffman resigned his Florida law license, and his resignation has been accepted by the Florida Supreme Court. Hoffman can no longer practice law in the State of Florida. He is eligible to seek reinstatement after five years, but it is extremely unlikely that he would apply for reinstatement, or that any such application would be approved by the Florida Supreme Court.

III. ASSETS COLLECTED AND TO BE PURSUED

Attached as Exhibit A is a schedule showing that, since the commencement of the lawsuit, I have collected just over \$1 million. I have used some of this money to pay expenses, but the remainder will be used for consumer redress. The clients of The Hoffman Law Group who paid money to that firm will receive a *pro rata* share of the funds I ultimately collect. For example: If I have a total of \$1.2 million remaining after I pay all of the expenses of the receivership, and if the total amount that The Hoffman Law Group received is \$12 million, then each consumer would receive 10 percent of the amount they paid. The CFPB will administer these distributions.

I hope to collect more money for all of you. The judgments entered against Harper and Willcox direct them to turn over to me a bunch of their jewelry and other personal items. When I receive it (which should be within the next two weeks), I will hold an auction sale. These items include:

- Rolex Yachtmaster Watch
- Ladies' Rolex
- Cartier Roadster Watch
- Ladies Cartier Roadster Watch
- Breitling Chronomat Watch
- Tag Heuer Watch
- Bangle Bracelet
- Zenith Watch
- Breitling Bentley Watch
- Breitling Super Avenger Watch
- Rolex Watch
- Tag Watch
- Two-tone and diamond bracelet
- Glock 45 hand gun
- Computer – HP
- Sharp television
- Diamond drop earrings
- Square diamond necklace
- Square diamond earrings
- Diamond necklace
- Diamond ring
- Diamond earrings
- Diamond pendent necklace
- Diamond bracelet
- Diamond hoop earrings
- Diamond studs
- Diamond teardrop necklace
- Gold chain
- Two-tone necklace
- Ring
- 380 Ruger hand gun

After my appointment as receiver I secured the electronic data and financial records of the various receivership companies, and I have analyzed them to ascertain whether the receivership estates could recover money by filing lawsuits. In mid-November of 2014, I sent letters to various third parties demanding payment of sums that had been paid to them, on the basis that the transfers were fraudulent within the meaning of Fla. Stat. §726.01 *et seq.* Some of the recipients of those letters refused to respond, or responded that they would not make any payment. Others have responded and expressed a willingness to attempt to reach a resolution to avoid litigation. At this time, I anticipate that I will file one fraudulent transfer lawsuit against an attorney who provided legal services to The Hoffman Law Group and received payment of \$50,000, for which The Hoffman Law Group did not receive reasonably equivalent value. The lawsuit also will include a claim for professional negligence. I anticipate filing this lawsuit by June 15, 2015.

Additionally, I am negotiating a possible settlement of a claim against a law firm and some of its attorneys involving payments totaling over \$500,000. Progress in the negotiations, while slower than would be ideal, is being made. At this time, settlement seems likely. Any settlement reached would be presented to the Court for final approval. In the event that a settlement cannot be reached, I anticipate filing a lawsuit, likely by June 15, 2015, to recover not only the sums demanded, but also for professional negligence.

IV. LINKS FOR FURTHER RESOURCES

Following are some links where you may find resources to help you with defending a foreclosure case.

<http://www.consumerfinance.gov/find-a-housing-counselor>

<http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>

The Florida Bar has posted the following information on its website for consumers facing foreclosure-related issues:

❖ A variety of web resources for families facing foreclosure and attorneys helping them is available from The Florida Bar's Consumer Protection Law Committee, go to:

<http://www.floridabar.org/DIVEXE/BD/CMStanding.nsf/WCommitteesDetail/92C1EA5F0AC2F0D285256C5B00554822?OpenDocument>

❖ Florida's Attorney General has more than 50 investigations open against mortgage fraud and foreclosure rescue firms. Find out how to protect you and your home, go to:

<http://myfloridalegal.com/pages.nsf/Main/55BC21CB13128F728525741800481491>

IV. LINKS FOR FURTHER RESOURCES (continued)

❖ For a referral to an attorney for a low-fee consultation, contact The Florida Bar Lawyer Referral Service (1-800-342-8011) or go to:

<http://www.floridabar.org/divpgm/lronline.nsf/wreferral6?OpenForm>

❖ If you are at risk of foreclosure, free housing counseling is available through HUD or NeighborWorks National Foreclosure Mitigation Counseling, go to:

http://portal.hud.gov/hudportal/HUD?src=/i_want_to/talk_to_a_housing_counselor

or <http://www.nw.org/network/foreclosure/nfmcp/>

If you have been served with foreclosure papers, contact your local legal office immediately. In Florida, this can be located at FloridaLawHelp.org (Find Legal Help), go to:

<http://floridalawhelp.org/find-legal-help>

Please continue to check my website, www.bernet-receiver.com, for further updates on the case.

EXHIBIT A

HOFFMAN – FUNDS RECEIVED

Date	Source	Account No.	Amount
08/19/2014	Florida Community Bank		\$70.00
08/19/2014	Florida Community Bank		70.00
08/22/2014	Regions Bank	XXXXXX5724	530.00
08/22/2014	Regions Bank	XXXXXX5783	530.00
08/22/2014	Regions Bank	XXXXXX5732	530.00
08/22/2014	Regions Bank	XXXXXX5791	379.86
08/22/2014	Regions Bank	XXXXXX6267 ¹	20.00
08/25/2014	Florida Community Bank		15,434.72
08/25/2014	Florida Community Bank		70.00
09/09/2014	BB&T (Hoffman personal funds, per court order)		73,022.55
09/16/2014	TD Bank (funds held by AMC Investment Group)	XXXXXX8395	1,375.00
09/16/2014	TD Bank (funds held by Benn and Amy Willcox)	XXXXXX5814	1,324.93
09/16/2014	TD Bank (funds held by MCH Titanium Holding)	XXXXXX8402	449,985.00
09/17/2014	Michael Harper (partial turnover of \$225,000 cash)		50,000.00
09/22/2014	Electronic Merchant Services (reserves from credit card merchant account)		28,416.71
09/29/2014	Michael Harper (partial turnover of \$225,000 cash)		169,629.46
10/09/2014	Global Client Solutions	XXXX2680	111,548.75
10/09/2014	Global Client Solutions	XXXX2901	6,295.25
10/09/2014	Global Client Solutions	XXXX2899	3,839.75
10/09/2014	Global Client Solutions	XXXX2679	3,756.25
10/09/2014	Global Client Solutions	XXXX2681	1,185.00
10/15/2014	Greenspoon Marder (unused portion of Harper's \$50,000 retainer)		5,370.54
10/23/2014	Sale of Willcox's Jet Skis (gross sale proceeds)		16,770.00
11/20/2014	Global Client Solutions (reserve accounts)	XXXX2679 XXXX2681 XXXX2899 XXXX2680 XXXX2901	6,950.25
02/13/2015	Citibank (HLG Accounts)	XXXX9031 XXXX9044 XXXX9057 XXXX0272 XXXX5328	56,599.01
	TOTAL		\$1,003,703.03

¹ IOTA