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## Newsletter

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Dear Anthony,

We are your full service law firm regarding banking & finance, real estate, bankruptcy and collections and would like to share with you some successes Geraci Law Firm has had representing Client's rights.

Also, as is typical in our issues, we wanted to update you on items that are happening now in the private money industry. This issue once again focuses on the Mortgage Disclosure Improvement Act which takes effect July 30, 2009.

### Need an Entity Formed or Registered Agent Services in 50 States? We Can Help You For as Little as \$300!

*By Jeanie Nguyen, Director of Corporate Formation*

Geraci Law Firm has been providing corporate services since its inception. However, we recognize that corporate formation itself is a costly service that does not always require an attorney's input. Most people already know what type of entity they would like to form and do not need an attorney's advice. It is for those people that we have created the entity formation package for a mere **\$300 flat fee** plus filing fees!

Our entity formation package includes the following:

1. Articles of Organization / Incorporation in all 50 states
2. Ensure that the name you want to use is not taken in your state.
3. Resolution of the board of directors regarding your first minutes as a corporation
4. Custom Operating Agreement for your LLC or Limited Partnership Agreement for your LP
5. Employment Identification Number from the IRS
6. S-Corporation election or other applicable initial tax form filings with the IRS

Each package is backed by a 100% satisfaction guarantee and you have unlimited support by our Corporation Formation department. Should you need to speak with an attorney, attorneys are on staff to help you with your legal needs.

If you have any questions, contact me, Jeanie Nguyen, at 949-379-2600, extension 1008 or email me at [jeanie.nguyen@geracilawfirm.com](mailto:jeanie.nguyen@geracilawfirm.com).

### Litigation with Borrowers: Are You Prepared?

*by Anthony F. Geraci*

With consumer attorneys putting on workshops on how to sue the lender, Borrowers have increased the amount and tenacity of litigation against

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lenders. What if the borrowers are going for blood and do not want to settle with you? Do you have a plan or strategy to attack and force Borrowers to the settlement table?

#### **A. The Risk**

If there is any violation of the Truth-in-Lending Act, and the lawsuit has been brought within a year of origination, the risks involved in proceeding with the lawsuit is great: you could be liable to the Borrower's attorney for their attorney's fees, which could add up to well over \$100,000. If there is any question regarding your loan, then your goal is to settle immediately. But since the Borrower's attorney is generally on contingency and controls the litigation, his or her only interest is to continue with the litigation.

#### **B. Action Plan**

Borrowers who have nothing to lose will not come to the settlement table. Part of your action plan should consider whether a cross-complaint or counterclaim is viable against the Borrower.

Analyze the 1003 in careful detail. Did the Borrower misrepresent their income, the investment of the property, etc? If they did, then you might be able to use that as a cause of action for fraudulent inducement to make a loan.

Analyze the loan documents. Paragraph 8 of Fannie Mae's standard loan documents (and probably a part of your loan documents if you do not use Fannie Mae's loan documents) state that any misrepresentation in any of the loan documents provided to you, the lender, could be used to accelerate the loan and/or use as a cause of action for misrepresentation.

#### **C. Hire an Expert**

You should hire an attorney who is an expert in this area to advise you. This area of law is extremely complex - four expansive federal laws cover mortgage lending in general, not to mention several state high cost and regular mortgage lending laws makes this area very difficult.

If you have any questions regarding this area, give us a call or send me an email at [anthony@geracilawfirm.com](mailto:anthony@geracilawfirm.com).

## **Geraci Law Firm's Successes For Their Clients and Geraci Law Firm News**

### **Litigation**

On the eve of trial, Geraci Law Firm successfully settled a matter for clients for a confidential sum. Geraci Law Firm represented the plaintiff, a mortgage lender, who alleged that defendant Fidelity National Title Company negligently closed escrow and failed to follow the lender's escrow instructions. The Plaintiff claimed damages according to proof at trial but believed to be in excess of \$500,000.00. On the eve of trial, Defendants offered a settlement for the mortgage lender which the lender accepted.

### **Transactional**

Anthony F. Geraci will be speaking at the NHMA on November 19, 2009 in Caesar's Palace, Las Vegas, Nevada. He will be speaking about Truth-in-Lending compliance and updating people regarding pending national bills which may affect private money lenders nationwide. In that vein, he and Commissioner Joseph Waltuch, Nevada Mortgage Lending Division will be presenting Nevada's latest changes whereby the Commissioner will look to NHMA

members to give him input on how Nevada's private mortgage lending compliance should be shaped in the future. For more information, please go to <http://www.nhmaonline.com>.

Anthony F. Geraci has completed over Two Billion dollars of aggregate offerings in equity and debt offerings since January of 2009 alone and has completed over Thirteen Billion dollars of offerings since the firm opened in July of 2007.

## Bankruptcy

The team of Amy E. Martinez and Carol Unruh have successfully represented over 15 clients in the past month in obtaining relief from the bankruptcy courts in California and allowing our clients to complete the foreclosure on the properties. Geraci Law Firm's bankruptcy practice has grown by two hundred percent (200%) in the past month due to borrower's increasing aggressiveness in suing lenders and declaring bankruptcy when they fail to obtain a preliminary injunction.

## We Are Committed To Giving You Solutions

Geraci Law Firm is committed to providing you with superior service and giving you solutions to your questions. Our practice areas are always on the cutting edge and find innovative new strategies to achieve your goals while mindful of your legal costs.

If you have any questions, please do not hesitate to call or email us at the above or below contact information.

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