

Attorney General announces major victory in state's case with Washington man who promised help but took homes

Local News

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SEATTLE – The Washington Attorney General's Office declared a major victory for consumers today in response to a judge's [order](#) that a notorious foreclosure rescue scammer must pay more than \$3.2 million to victims he wronged plus \$179,000 in penalties for violating the Consumer Protection Act. “Joseph Kaiser's a cunning real estate investor who made his living by claiming to help people facing tax foreclosure – then taking their homes, land and money,” Attorney General Rob McKenna said. “Thanks to the hard work of our Consumer Protection Division, he will no longer be able to prey on struggling homeowners.” The Attorney General's Office also obtained an [order](#) permanently stopping Kaiser from participating in real estate transactions with people facing foreclosure. Kaiser, of Tacoma, was the first foreclosure “rescuer” to be tried by the Attorney General's Consumer Protection Division, which works to enforce a fair marketplace for consumers and businesses. He is the author of several books describing tactics for making quick profits from real estate and has conducted seminars to teach his methods for earning large amounts of money through deals involving distressed properties.

Kaiser entered transactions with more than 300 property owners. No one has ever successfully regained their home from Kaiser. Assistant Attorneys General Jim Sugarman and Jake Bernstein represented the state in the trial, which included six days of testimony and arguments by attorneys on both sides during December 2008 and January 2009. “Kaiser's victims were elderly, disabled or low-income individuals – people who trusted him to solve their foreclosure problems and were betrayed,” Sugarman said. “Kaiser portrayed himself to these people as an expert in saving homes facing foreclosure, when he is actually an expert in taking homes facing foreclosure.” Consumer Protection Division Chief Doug Walsh joined Sugarman and Bernstein on Wednesday at a Taking Charge in Tough Times seminar in Bellevue organized by the AARP, the Attorney General's Office and other government partners and businesses. They announced the court order in front of an audience of 300 attendees who signed up to learn how to protect themselves from economic scams. King County Superior Court Judge Palmer Robinson ordered Kaiser to pay nearly \$4.2 million including more than \$780,000 to partially repay the state for the costs and attorney fees for bringing the lawsuit. It's a significant finale to a case that began in March 2007 when the state filed civil charges against Kaiser and simultaneously [settled](#) with several of his colleagues. In its complaint, the state alleged that the defendants used public records filed with county treasurers to contact property owners with offers to help solve their foreclosure problems. Their real intent, however, was to obtain ownership of the home or to let the home be sold at tax foreclosure and then take the excess sales money that should have been paid to the homeowner. The other defendants in the case agreed to pay \$290,000 to the victims as restitution and \$30,000 to the Attorney General's Office for some of its costs and fees. The state will distribute those funds starting as early as this month. Kaiser refused to even discuss settlement during most of the litigation. Meanwhile, he continued to conduct real estate deals and schemed to convince his victims to give him a portion of the settlement money paid by his co-defendants. While

preparing for trial, the state's team reviewed more than 70,000 pages of documents involving business dealings of Kaiser and his former partners and new allegations emerged. The state amended its complaint to add three additional businesses created by Kaiser during the litigation. Kaiser was accused of obtaining ownership of homes with large amounts of equity for little or no cash. In other transactions, he captured excess proceeds of tax sales that would have been paid to the property owner. Kaiser also used an automatic dialing device, sometimes called "robocalling," to reach his victims — a practice that is illegal in Washington state. Trial Judge Michael Trickey called Kaiser's contracts "grossly unfair." "No fully informed person, not acting under compulsion, would enter a transaction with such onerous terms," Trickey wrote in his decision. As a result of the state's case, Joseph Kaiser and his business entities are forever barred from soliciting or participating in any transactions involving properties facing foreclosure.

DOCUMENTS: [Case Background Fact Sheet](#) [Restitution and Penalties Order](#) — May 6, 2009 [Findings of Fact and Conclusions of Law](#) — Feb. 6, 2009 [Plaintiff's Trial Memorandum](#) — Dec. 3, 2008 [Injunctive Relief Order](#) — Feb. 11, 2009 [3rd Amended Complaint](#) re: Kaiser, G. Hobus Investments, Bobo Buys Real Estate, Pre Flop, Unclaimed Funds — December 2008 [Consent Decree](#) re: Fiscal Dynamics, Cumulative LLC, Northwest Assets, Walter Scamehorn, Tina Worthey, Arliss Morgan — May 11, 2007 [1st Amended Complaint](#) re: Fiscal Dynamics et al — June 21, 2007 [AGO News Release](#): "Attorney General McKenna Sues, Settles with Real Estate Investors for Mortgage Foreclosure 'Rescue' Violations" — March 14, 2007