

# ON YOUR SIDE

Volume 5, Issue 1

**An informative presentation from your Pre-Paid Legal District of Columbia/Maryland Provider**

October 2006

## FROM THE DESK OF Jeffrey M. Lippman, Managing Partner

I want to take this opportunity to let all of our readers learn about some exciting new initiatives taking place with Weinstock, Friedman & Friedman, P.A. and with the entire Pre-Paid Legal Services, Inc. network.

First, the time between sending our e-newsletter will decrease substantially. From this point forward, we will publish a newsletter more frequently. We hope you will find these newsletters helpful and informative. Our goal is to share information about the firm and Pre-Paid Legal Services, Inc., successful tales from recent matters handled for members, and to provide content that can inform and educate our members.

We will seek to tailor our content partly from frequently asked questions from our members. I want to note that these articles are not a substitute for actual legal advice. Each situation is unique and turns on the facts. As members of Pre-Paid Legal Services, you are entitled to free consultations and obtaining individual legal advice is an easy process.

This edition will have features on certain real estate hot topic issues.

I also want to take this opportunity to notify you that we have new technology that greatly improves the referral process. This



technology will make referrals easier on multiple levels. Our referral department will have access to quick information and multiple alternatives. This should save a lot of time and provide more information than our prior system. We hope this increases the efficiency of the referral department and the quality of referrals.

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## A WORD FROM THE AMBASSADOR Edward J. Friedman, Esquire

### "AN OUNCE OF PREVENTION IS BETTER THAN A POUND OF CURE"

This slogan has a familiar ring to most of us since grade school, but its relevance is applicable and important when we think about our Pre-Paid Legal Services, Inc. policy of coverage. The membership policy is designed to provide the "ounce of protection" necessary when legal issues arise, and they will! By exercising your benefit under titles 1-5 of your family plan or comparable titles in the various other plans you can often avoid "the pound of cure." Your benefits allow a thorough analysis of your legal

issue or concern before they can become larger and more complex. By being proactive instead of reactive your chances of solving or mitigating your issues will greatly increase, which usually results in significant savings in both stress and money.

Often we hear from our member "after the fact." This can be frustrating in those situations where the member merely has to pick up the phone and call. Sometimes, however, this is unavoidable due to circumstances, and in those instances still call our office as we can still help you under the plan, and clearly explain your options, and provide assistance.



*Edward J. Friedman was recently recognized by Pre-Paid Legal Services, Inc. as the 2006 recipient of the Ambassador Award.*

### REMEMBER

**BE PROACTIVE, KEEP YOUR MEMBERSHIP CARD HANDY, AND REMEMBER TO CALL WEINSTOCK, FRIEDMAN & FRIEDMAN.**

**WE ARE HERE TO HELP!**

**Law Offices of Weinstock, Friedman & Friedman, P.A.**  
Executive Centre, 4 Reservoir Circle, Baltimore, Maryland 21208-7301  
Tel (800) 223-8688 -(410) 559-9020 Fax (410) 559-9009

**WE'RE ON THE WEB  
WWW.WEINSTOCKLEGAL.COM**

## FORECLOSURE RESCUE By Jeffrey M. Lippman, Esquire

Imagine you are a homeowner in financial difficulty. Your house has valuable equity over and above any mortgages or other liens, but your financial life has taken a turn for the worse. This may have been the result of unemployment, disability, caring for relatives or any number of circumstances. Because you have been unsuccessfully juggling debts and other life responsibilities, your mortgage is in default and foreclosure proceedings have been threatened or instituted.

If you have income and equity and have a good credit record, you may have access to loans at reasonable or market rates. If you are a member of a credit union or some other association, you may have similar access. Perhaps you can call upon family or friends or otherwise resolve the situation yourself. While every action has a consequence, you may be able to deal with this. However, if you have a poor credit rating, you may not be eligible for any loans in the marketplace, whether the market is prime or sub-prime.

Even if you are eligible for market rate loans, you may be approached by someone stating they can help rescue you from the foreclosure situation.

You should always be very cautious when approached by someone in this business. This is not to paint the entire industry with a broad brush. This is a legitimate business and can be carried on by fair minded individuals and institutions. However, every scam takes legitimate businesses to the extreme. If a reader of this article is in this business, you can also utilize your membership to allow us to help you comply with the law and make sure your documentation and business method is lawful and fair to consumers. Be aware that a foreclosure rescue statute was recently enacted in the State of Maryland and is

being hailed as the prototype for other states and possibly federal legislation.

The typical mortgage rescue scenario involves a homeowner in default with significant equity in the house. The foreclosure rescue "broker" (many are not licensed) may approach you and offer to buy your house for cash or get you a loan. More often than not, ultimately they tell you the loan cannot be achieved but offer several options which usually involve them purchasing the house or otherwise taking title for a sales price above the outstanding liens but far below market value. These deals often provide a lease back option to the original owner for a high monthly rent (often higher than the existing monthly mortgage payment), and a right to purchase the property within a certain period of time, usually one year. The numbers on the contract often do not add up and the terms on their face often set the victim up for future failure. The contracts may state that any default of a monthly rent voids the right to buy the property back from the foreclosure rescue operation.

Frequently, the foreclosure rescue operation has the homeowner sign a Power of Attorney or even a Title/Deed. They don't always record the Deed because this could alert the existing mortgage lenders. Many times, the foreclosure rescue operation does not pay off the entire existing mortgage. The contractual language is often ambiguous as to whether or not they were obligated to pay the entire mortgage, so the homeowner when seeking to repurchase the property may need to pay the purchase price and still contend with their mortgage. In essence, they paid a whole lot of money to get into a worse position than before they entered into the deal!

The new law makes many of these terms illegal and requires the

foreclosure rescue operation to provide disclosures. The statute empowers the Attorney General to take action, provides a private cause of action, and provides criminal penalties.

As a member of Pre-Paid Legal Services, you are entitled to have documents reviewed under your policy at no additional cost. If you are in this situation or believe you might be, please contact us at any time during the transaction, the earlier the better. However, it is better that we assist you no matter the stage. We may only be able to provide you with information and existing options, but we can help identify these issues and assist you in addressing the matter.

Often, the consumer has options such as conventional loans, bankruptcy, or a private sale of the property. Many people have developed strong emotional attachments to their property and do not wish to sell it. However, this may be the best option. Sadly, it is this emotional attachment that drives many people to the foreclosure rescue operations.

If you are a consumer being approached by a foreclosure rescue operation, please contact us as early as possible. If you are in the foreclosure rescue business and wish to comply with the law, we can assist you with this.

"Sadly, it is this emotional attachment that drives many people to the foreclosure rescue operation."

## CONGRATULATIONS CORNER



Congratulations to Weinstock, Friedman & Friedman & Friedman, P.A. partner, Sidney S. Friedman.

Sidney was installed after election as the President of the Commercial Law League of America. The CLLA is a national and international organization with several thousand members.

Dear Constituents:

I wanted to thank Weinstock, Friedman & Friedman attorneys ... Mr. Sidney Friedman for defending my Erie Insurance court case. All of the attorneys played a vital role in my defense and did an excellent and outstanding job pleading my case in the District Court of Southern Maryland. I really want to thank them all for their dedication and attention to detail. If promotions are in store they deserve one.

To ... Mr. Friedman, I thank you for your persistence in the courtroom and in never allowing the plaintiff to throw you off track in the presentation of your arguments. I find you to be attorneys that really stay your course, know how to think on your feet in counteracting issues that your opponents try to push.

Keep doing what you do best for the people you defend and God will continue to bless and prosper you and your business.

Thank you again and God Bless.

Satisfied member

### PRE-PAID LEGAL'S 2006 PROVIDER CONFERENCE

Pre-Paid Legal Services held their 2006 Fall Provider Conference on September 20<sup>th</sup> and September 21<sup>st</sup> in Columbus, Ohio. Attendees from our firm included partners, associate attorneys and administrators. Those who participated were treated to the hospitality extended by the Ohio Provider Firm, Maguire & Schneider, and Pre-Paid's home office.

This event gives both attorneys and administrators a chance to interact with their counterparts in the Provider Firms throughout the country and Canada. Through both formal training sessions and informal gatherings, ideas are shared and everyone comes away with ideas on how to deliver better service to our members.

The highlight of the conference was the annual Awards Banquet that was held on Thursday, September 21<sup>st</sup>. The awards are based on the quality of service delivered by firms and individuals throughout the year. Weinstock, Friedman & Friedman, your Provider Firm, was the recipient of the following PPL Provider awards for 2006:

**Achievement Award-Weinstock, Friedman & Friedman**

**Ambassador Award-Edward Friedman**

**Members' Choice Awards**

**JC Amos  
Jamie Glick  
Victor Lembo  
Kimberly Saxon**

We are extremely proud of all our awards and especially so at the fact that we have been among the top ten large firms in the Pre-Paid network for five straight years!!

### SPOTLIGHT ON JC AMOS, ESQUIRE

JC Amos, head of Weinstock, Friedman & Friedman's Small Business Department and four time Pre-Paid Legal Members' Choice Award winner, was asked to speak at the 2006 Provider Award's Banquet. After reading the following excerpts from the speech she delivered at the dinner you will know why JC has been an award winner year after year.

"I put off going to law school for many years because I knew I could never have a practice like the one my father had. The legal environment has changed too much since then. My father was a brilliant small town attorney. That doesn't mean he got paid in chickens. He got paid in beef and pork and milk and... believe it or not Christmas Trees. He found a way to give brilliant legal services to his clients in a manner that they could afford. And they appreciated him for it. There were clients of his who came to his funeral and cried.

And that is what I have with Pre-Paid.

I have time to talk to my clients. To teach the law to them and to make sure they understand not only the answer to their questions but why the answer is what it is. To explain how the law could help their situation or why it couldn't. I could never do that at \$800/hour.

I have the closest thing I could have in this day and age to the kind of practice my father had. I have time to know my clients.

Of course, occasionally one of my brethren at the bar looks down his nose at me because his fees are so much higher than mine.

And do you know what I tell that Attorney... ABSOLUTELY NOTHING.. If he wants to underestimate me he gets what he deserves."

## BUYERS BEWARE - - RISKS IN THE TAX SALE AND FORECLOSURE PROCESS

By Jason E. Solomon, Esquire

Buying properties at tax sale can be a profitable way to invest your money, but only if you are willing to put in the time, effort, and money necessary to understand and deal with the numerous risks involved in the tax sale and foreclosure process. If you are investing just to get the interest on the amount of taxes paid and the property is redeemed, as is true with many tax sale investors and investments, these risks may not be as great. But there is also a chance that the property may not redeem even if you want it to. A thorough title search, including land records, tax records, liens, judgments, probate records, and bankruptcy filings, is essential, though some risks remain even after due diligence. Due to complexity and liability issues, it is often beneficial to create an entity such as a limited liability company or a corporation to protect the individual investor and his or her family assets.

The point is, if this were easy, everyone would be in the business and making money. It is not simple or consistently profitable. However, your PPL policy provides access to the information which can help you determine if this business venture is appropriate for you. Below are some of the steps and a helpful resource list.

- Review Certificate of Tax Sale and note strict time periods and deadlines.
- Order detailed Title Search reports for past sixty (60) years.
- Order Judgment and Lien Searches for all Interested Parties listed as Owners.
- Review Title Search and Judgment and Lien Search Examination Reports.

**"If this were easy, everyone would be in the business and making money"**

- Obtain best information on Fair Market Value of property.
- File Complaint to Foreclose Right of Redemption with proposed Order of Publication in appropriate court
- Serve Summons, Complaint, executed Order of Publication and Initial order in D.C. by proper process.
- Arrange for publication in a Newspaper of General Circulation.
- After time for response has passed and no one has objected or asked for a hearing then file an Affidavit of Due Diligence and Compliance and any other required documentation.

*The content of this article is for general information purposes only, and is not to be construed in any way as being legal advice, or the substitute for reading the applicable statutes, rules, and regulations, and consulting with and retaining your own independent counsel. For purposes of this article, the author is only considering properties in Maryland and the District of Columbia.*

## HELPFUL TAX SALE AND FORECLOSURE OF RIGHT OF REDEMPTION RESOURCES

Below are links to some very helpful resources involving tax sale and foreclosure of right of redemption procedures for Baltimore City and D.C., and several databases that will be frequently used throughout the tax sale process. You need to sign up (registering a user name and password) for some of these databases. However, all of these databases are free to the general public, with the exception of viewing online an actual document recorded at the D.C. Recorder of Deeds (as opposed to just an outline of the document), for which you must pay \$4.00 per document. Unfortunately, D.C. does not allow you to see an outline of docketed cases online, although Maryland does.

### **Maryland**

- <https://www.bidbaltimore.com/main> (click on FAQ re Baltimore City tax sale process)
- [http://sdatcert3.resiusa.org/rp\\_rewrite](http://sdatcert3.resiusa.org/rp_rewrite) (Maryland SDAT real property tax database)
- <http://cityservices.baltimorecity.gov/realproperty/default.aspx> (Baltimore City real property tax account information)
- <http://casesearch.courts.state.md.us/inquiry/inquiry-index.jsp> (search for an outline of docketed Maryland District and Circuit court cases)
- <http://www.mdlandrec.net> (Maryland land records online)
- <http://198.187.128.12/maryland/lpext.dll?f=templates&fn=fs-main.htm&2.0> (Maryland statutes and Rules. See Maryland Rules - Maryland Rules - Title 14 - Chapter 500. Also see Maryland Code - Tax-Property - Title 14 - Subtitle 8.)

### **District of Columbia**

- [http://otr.cfo.dc.gov/otr/frames.asp?doc=/otr/lib/otr/tax/news/brouchures/Tax\\_Sale\\_Brochure.pdf&group=1679&open={33280|33288|](http://otr.cfo.dc.gov/otr/frames.asp?doc=/otr/lib/otr/tax/news/brouchures/Tax_Sale_Brochure.pdf&group=1679&open={33280|33288|) (D.C. real property tax sale process)
- [http://www.dctaxsale.com/taxsale\\_workbook\\_2003.pdf](http://www.dctaxsale.com/taxsale_workbook_2003.pdf) (more D.C. tax sale procedures - this is from 2003, but the basic process is the same; there should be an update on <http://otr.cfo.dc.gov> closer to the mid-July, 2007 D.C. tax sale)
- [https://www.taxpayerservicecenter.com/RP\\_Search.jsp?search\\_type=Assessment](https://www.taxpayerservicecenter.com/RP_Search.jsp?search_type=Assessment) (D.C. real property tax database)
- <http://www.washington.dc.us.landata.com/> (D.C. land records online - free for an outline; \$4.00 per document to see the actual deed or other recorded document.)
- <http://198.187.128.12/dc/lpext.dll?f=templates&fn=fs-main.htm&2.0> (D.C. statutes - see Division VIII - Title 47 - Chapter 13A)
- <http://dcode.westgroup.com> (D.C. statutes and rules - click on any link; at the bottom, see RULES SELECTED FROM WEST'S DISTRICT OF COLUMBIA RULES OF COURT - SUPERIOR COURT RULES OF CIVIL PROCEDURE. II - Rule 4 is especially used, for service of process issues)
- [http://otr.cfo.dc.gov/otr/frames.asp?doc=/otr/lib/otr/tax/property/pdf/taxsale\\_rulemaking.pdf&group=1679&open={33280|33288|](http://otr.cfo.dc.gov/otr/frames.asp?doc=/otr/lib/otr/tax/property/pdf/taxsale_rulemaking.pdf&group=1679&open={33280|33288|) (D.C. tax sale regulations)