

State of California • Department of Justice
OFFICE OF THE ATTORNEY GENERAL
Edmund G. Brown Jr.

News Release

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Brown Sues to Block Property Tax Rip-Off

San Diego-Continuing his fight to stop scams against homeowners, Attorney General Edmund G. Brown Jr. today filed suit against two brothers who "ripped off homeowners" seeking help in reducing their property tax assessments.

The brothers billed tens of thousands of homeowners throughout California nearly \$200 each for property tax reassessment services that were almost never performed and are available free of charge from local tax assessors.

"These scam-artists ripped off thousands of homeowners for property reassessment services readily available free of charge," Attorney General Brown said. "This lawsuit seeks to end the deception and blocks these companies from continuing to scam homeowners."

Brown's suit, filed in San Diego County Superior Court against brothers Sean and Michael McConville and their businesses, "Property Tax Reassessment" and "Property Tax Adjustment Services," seeks an end to the scam and at least \$2.5 million in civil penalties. The suit contends that these companies:

- Made and continue to make untrue and misleading statements with the intent to induce consumers to purchase products and services in violation of Business and Professions Code Section 17500 and 17537.9;
- Distributed solicitations implying a government connection, approval or endorsement in violation of Business and Professions Code Section 17533.6;
- Distributed solicitations that appear to be billing statements in violation of California Civil Code Section 1716; and
- Engaged in unfair competition in violation of Business and Professions Code Section 17200.

These Southern California-based companies targeted tens of thousands of Californians looking to lower their property taxes with mailers that read like government billing statements, featured official-looking logos and demanded hundreds of dollars in payments for reassessment and reassessment appeal services. The statements warned homeowners that if payments were not received by the "due date" they faced late fees or would have their file marked "non-responsive" or "ineligible for future tax reassessments."

Brown contends that neither company adequately informed consumers that they were not a governmental entity, the solicitations were not a bill, purchase of the services was not required and services were available free of charge from county assessors.

Additionally, few, if any, of the property tax assessment services homeowners were billed for in 2008 were

completed.

These companies continue to solicit California homeowners and have recently sent out mailers with due dates of May 26, 2009.

Last week, the Ventura District Attorney's Office charged one of the brothers, Sean McConville, with 20 felony counts for criminal conduct stemming from his property tax reassessment operations.

To avoid becoming a victim, homeowners who believe their property value has declined and they are paying too much in property taxes should:

- Never pay money for something they did not ask for; and
- Avoid a middleman and instead contact a local county tax assessor's office for a free property value reassessment.

Homeowners who believe they have been victimized by this or any other property tax scam should contact the Attorney General's Office at:

- http://ag.ca.gov/contact/complaint_form.php?cmplt=CL ;
- 1-800-952-5225; or
- P.O. Box 944255 Sacramento, CA 94244.

This lawsuit follows the property tax scam alert Brown issued on February 12, 2009. Since taking office Brown has made protecting homeowners a top priority. In the past three months alone, Brown has:

- Obtained a guilty plea from a woman who operated a sophisticated Los Angeles-based loan scam;
- Announced the arrest of two loan modification scam artists that operated a company called Foreclosure Freedom responsible for conning vulnerable homeowners out of thousands of dollars;
- Sent perpetrators of a San Bernardino-based foreclosure scam engineered by the First Gov company to prison;
- Issued a warning about scam artists using forged letterhead to con homeowners into paying for non-existent loan modification services.
- Stopped a massive statewide scheme that unfairly overcharged thousands of Californians for shoddy and home repair work; and

Today's complaint is attached.

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