



----- CONSUMER PROTECTION ALERT -----

Dear Mayor and members of City Council,

We, the undersigned organizations are writing to share grave concern about some individuals who may do great harm to the residents of Northeast Ohio and their collective wealth. Because Northeast Ohio has been hit particularly hard by the after-effects of the Foreclosure crisis, this activity has the potential to strike at those homeowners who need the most help. Unfortunately, those are the people who are the most desperate and the most likely to fall for get-rich-quick schemes.

In the last few weeks, our airwaves have been inundated with advertisements from a group that would have people believe that flipping houses is a quick and easy way to make money. Those ads have been making some unbelievable claims:

- Make \$10,000 to \$40,000 per deal and never use your own money
- Join the ranks of the new Rich, be your own boss and never work for anyone
- Cleveland's housing market is in the best shape to make millions of dollars by flipping real estate

These outrageous claims are being made in an attempt to get people to go to a "seminar" that is given locally, with the expectation that they will be taught the "secret" to making money, while flipping houses. Unfortunately, these ads do not breathe a word of the potential problems that can arise if you buy ANY house with the intention of flipping it for what you think might be quick cash. Those problems include:

- A great many houses come with existing housing code violations. In many Cities, the buyer must fix those violations or face **CRIMINAL PENALTIES**, which can include heavy fines and jail time.
 - If the house is in the City of Cleveland, there is a new law that holds owners responsible to repay the City for the cost of demolition, if the house has to be demolished - Even after they flip the house to someone else!
- The resale value of homes in Northeast Ohio has been diminished greatly, because of the foreclosure crisis. Many people who buy houses in Ohio, looking to flip them for quick cash are sorely mistaken and lose lots of money.
- The majority of homes that flippers look to buy has been abandoned for some time and is in dire need of repairs. Most of the time, these repairs are very expensive – too expensive for someone who is trying to flip the property, quickly.

It has come to our attention that these types of seminars always come with a hook. They are patterned the same:

- As an incentive to show up people are promised quick riches, if they only knew the 'secret';
- The speakers are clean-cut, good-looking, slick-talking people who speak in excited tones about how they are rich; and about how the residents can be rich, too, if they only had the 'secret' that they knew;

- At the end, they try to convince people (who are usually in financial trouble and desperate) to pay way too much money for a ‘kit’ or a ‘collection of books’ or ‘instructional videos’ that contain the key to being rich and successful. Many times, they want people to pay close to a Thousand Dollars!
 - Sometimes, they charge a small fee for admission to a second seminar, where borrowers can be pressured into spending thousands of dollars.
- What people end up purchasing is almost always not worth much of anything.
- The attendees are desperate for any way out of their personal financial crisis and will spend money that they can ill-afford to spend, only to find themselves deeper in debt.

Please tell your constituents the following:

“BEWARE! There is no secret way to make quick cash flipping real-estate - and Certainly NOT in Northeast Ohio. Stay home, keep your credit card and your money in your pocket and be happy you didn’t fall for this trick!

If you go to one of these seminars, ask them for a ‘Money Back Guarantee’. And ask them for that guarantee IN WRITING. This will show you how much they believe in their own product.”

Signed,

Neighborhood Housing Services of Greater Cleveland, Inc.
ESOP
Cleveland Housing Network
Community Housing Solutions
Neighborhood Progress Inc.
Cleveland Neighborhood Development Coalition
Home Repair Resource Center

Contact: Mark Wiseman
Neighborhood Housing Services of Greater Cleveland
(216) 210-3201
markwise44@sbcglobal.net

Locations for Upcoming Find and Flip “seminars”

Akron/Canton area

Wednesday, August 08, 2012

Hilton Hotel
3180 W. Market Street, Akron, OH
12:30 and 6:00 PM

Cleveland area

Wednesday, August 08, 2012

Marriott East
26300 Harvard Road, Warrensville Heights, OH
12:30 and 6:00 PM

Thursday, August 09, 2012

Marriott Airport
4277 West 150th Street , Cleveland, OH
12:30 and 6:00 PM

Friday, August 10, 2012

Hilton Garden Inn Mayfield Village
700 Beta Drive, Cleveland, OH
9:00 AM and 12:30 PM

Saturday, August 11, 2012

DoubleTree Hotel
6200 Quarry Lane, Independence, OH
9:00 AM and 12:30 PM

Youngstown Area

Wednesday, August 15, 2012

Holiday Inn
7410 South Avenue, Boardman, OH
12:30 and 6:00 PM

Thursday, August 16, 2012

Magnuson Grand Hotel
9519 East Market Street, Warren, OH
12:30 and 6:00 PM

Friday, August 17, 2012

Hampton Inn & Suites
6690 Ironwood Boulevard, Canfield, OH
9:00 AM and 12:30 PM

Saturday, August 18, 2012

Metroplex Hotel & Conference Center
1620 Motor Inn Drive, Girard, OH
9:00 AM and 12:30 PM