



San Diego City Attorney Jan I. Goldsmith

NEWS RELEASE

FOR IMMEDIATE RELEASE: September 24, 2014

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Phony Government Notice to Financially Distressed Homeowners Results in Criminal Conviction

San Diego, CA: A San Diego businessman stands convicted of unlawfully charging an upfront fee for loan modification services and also mailing a phony government notice to homeowners struggling to make their mortgage payments. Rajesh Manghani, age 37, pleaded guilty to the two criminal offenses last Thursday in San Diego Superior Court. Under the terms of a plea agreement, Manghani was placed on three years informal probation and ordered to pay a \$5,000 fine, complete 10 days of Public Work Service and pay restitution to the victims of his crimes.

The San Diego City Attorney's Office filed the criminal charges against Manghani in March 2013 following an investigation into Manghani's business practices. The investigation was funded by a grant from the California Department of Justice. ([Grant media release.](#)) Manghani operated under the business names of *Secure Horizons Law Counsel*, *Secure Horizons Investment Counselors*, and *Universal Relief Advocacy* in Poway, CA.

The case originated from a consumer complaint from a homeowner in CA. The homeowner received in the mail what he believed was a notice from the federal government. The notice provided that he was "preapproved for a special program by government insured institutions" to bring his house payments current for less than he owed and to reduce the principal on his mortgage. The homeowner paid Manghani almost \$2,200, but received nothing for his money.

Under California law, it is a crime to charge an upfront fee for home loan modifications or loan forbearance services. No payment can be charged or collected from the homeowner until all services under the loan modification or loan forbearance contract have been fully performed.

City Attorney Jan Goldsmith cautioned San Diegans to closely read mail that appears to be from a government agency but may in fact be a solicitation for the purchase of goods and/or services. **"Our office will continue to aggressively prosecute individuals who violate California's consumer protection laws"** said the City Attorney, **"but the best protection begins with consumers being diligent and not allowing themselves to be scammed."**

Anyone who believes they were victimized by Manghani or one of his companies and who wants to make a claim for restitution should contact the City Attorney's Office at (619) 533-5600 or by email at cityattorney@sandiego.gov.

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