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Cox Takes Legal Action Against Company Engaged in Home Equity Stripping

Baird Enterprises Operated in Several Western Michigan Counties

LANSING – Attorney General Mike Cox announced that he is taking legal action against Baird Enterprises, LLC, of Wayland, and its principals, Priscilla Baird and her son, Michael Baird. The company and its owners are alleged to have engaged in a scheme known as "home equity stripping" throughout Allegan, Barry, and Kent Counties.

"Home equity stripping is a scam that has severe financial and emotional impacts on its victims," stated Cox. "My office is committed to pursuing those who engage in this heartless activity."

The equity stripping scam usually begins with promises made to homeowners in danger of losing their properties to foreclosure. These promises often include cash payments for the home, or the guarantee of a loan. Homeowners are asked to sign complicated paperwork as a ruse to make the scam appear to be legitimate. Often times, the paperwork is in the form of a deed that transfers ownership of the home to the scammer, which results in homeowners owing more per month than before the foreclosure, or learning that their mortgage has not been paid. Homeowners are often forced to vacate their residences and, in most cases, receive little or no money for the equity they have built in their homes over the years.

The Bairds scheme allegedly involved the buying and selling of homes without executing the proper legal documents, enabling them to victimize at least two homeowners who employed their services. In one instance, the Bairds are alleged to have bought and sold the same home without paying off the mortgage of the selling party, while at the same time they attempted to collect land contract payments from the buying party. As a result, the buyers may now face eviction, and the sellers may owe mortgage obligations for a home they no longer own. The

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sellers may also face threats of foreclosure, mounting late fees, and damage to their creditworthiness.

The legal action against Baird Enterprises, LLC, and its principals is in the form of a Notice of Intended Action (NIA), a step that generally must be taken before a company may be sued by the Attorney General under the Consumer Protection Act. After receiving the NIA, the company and its owners have ten days to cease violating the Consumer Protection Act or risk facing a lawsuit. A voluntary resolution often requires the payment of a substantial civil penalty and reimbursement to the State for the cost of the investigation.

"I urge the public to exercise the utmost caution when buying and selling homes," stated Cox. "The purchase or sale of any valuable asset requires the help of trusted and licensed professionals. You must read the fine print."

A copy of a Consumer Alert titled "Home Lending and Foreclosure Rescue Scams" and information on a variety of other topics affecting consumers are available from the Attorney General's Consumer Protection Division by calling 1-877-SOLVE-88 (1-877-765-8388) or by accessing the Attorney General's Web site, <http://www.michigan.gov/ag>.

Consumers interested in receiving electronic mail notification of Attorney General Consumer Alerts can sign up on the Attorney General's Web site by accessing the "Join the AG Mailing List" icon. Consumers may also elect to receive electronic notices of press releases and formal opinions.