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## Foreclosure practices prompt suit

Four entities allegedly mishandled the auction of a Waipahu woman's home

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POSTED: 01:30 a.m. HST, Jun 02, 2012

Three local law firms have filed what they hope will be a class-action lawsuit over how nonjudicial foreclosure auctions are being handled by certain foreclosure servicing companies.

The law firms are Perkin & Faria, Bickerton Lee Dang & Sullivan, and Affinity Law Group.

They filed a lawsuit in state court Thursday on behalf of Gloria Macadangdang Ilar and anybody else whose foreclosure was handled by Foreclosure Expeditors/Initiators, Routh Crabtree Olsen, P.S., both based in Washington state, RCO Hawaii and Alaska lawyer Stephen D. Routh.

According to the lawsuit, an RCO lawyer filed a notice of sale of Ilar's Wai-pahu property on behalf of mortgage holder U.S. Bank on or about March 4, 2010. The notice was for a public auction on April 7, 2010.

However, U.S. Bank chose to have the auction on a later date, and FEI, which was to conduct the auction, did not publicly announce the postponement, the lawsuit said.

Ilar's property was sold April 7, 2011, in a public auction conducted by FEI.

The lawsuit claims FEI did not have a local lawyer post a public notice of the new auction date or conduct the auction and that Routh, an officer and shareholder of RCO and member manager of FEI, authorized, ordered or consented to the practice.

In 2008 the state Legislature amended Hawaii laws regarding nonjudicial foreclosures to require mortgage holders to be represented by a lawyer who is physically located and licensed in the state to post notices of sales and to provide interested parties information about property and the sale.

The lawmakers said a large number of Hawaii foreclosures are handled by servicing corporations on the mainland that provide little to no information to parties that are entitled to it relating to the foreclosure and the property being foreclosed. They said it is common for a person to call the contact telephone number listed on the foreclosure notice only to encounter automated recorded messages, be put on hold or transferred to someone not trained to provide the appropriate information.

RCO Hawaii referred questions regarding the lawsuit to its Washington office. RCO, FEI and Routh did not return calls requesting comment.

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