



ERIK NASARENKO
District Attorney

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Natural Hazard Disclosure Statement Company Settles Consumer Protection Action

VENTURA, California – District Attorney Erik Nasarenko announced today that his Consumer and Environmental Protection Unit, in conjunction with the Los Angeles and San Diego County District Attorney’s Offices, obtained a stipulated civil judgment in a consumer protection lawsuit. The civil judgment was entered against Guarantee Appraisal Corporation (GAC), a provider of Natural Hazard Disclosure Statements. These statements are required in California to be provided to a potential buyer of residential property by the seller of that property. The total amount of civil penalties, costs and restitution is \$415,000, of which the District Attorney’s Office will receive \$123,333.

The investigation and resulting civil judgment centered on GAC’s marketing and sale of Natural Hazard Disclosure reports under two different brands, Certified NHD and HomeServices NHD. The reports had different prices with essentially the same information. GAC failed to disclose that the cheaper report was also available for purchase in many higher priced real estate locations. The HomeServices brand was marketed in Southern California to affiliated businesses as the low-cost option, while the Certified brand was exclusively marketed in the Central Valley. The investigation in this case determined that the Certified brand was a viable lower cost option by \$16 for the identical product.

GAC cooperated in the resolution of this case, and the judgment requires GAC to institute changes in its business marketing practices in the future to ensure a similar incident does not occur.

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The Ventura County District Attorney’s Office is the public prosecutor for the county’s 850,000 residents. The office employs approximately 280 employees including attorneys, investigators, victim advocates, and professional support staff who strive to seek justice, ensure public safety, and protect the rights of crime victims.