IN THE MATTER OF: **HOME START HOUSING CENTER;** **HOME RESTORATION GROUP;** **DEFAULT DEPARTMENT SERVICES;** **PROCESSING SERVICES;** **MONICA CHAN;** **LINDA HEISS; and** **AMBER YVONNE JACKAWAY,** **Respondents.**	**BEFORE THE MARYLAND** **COMMISSIONER OF** **FINANCIAL REGULATION** **Case No.: CFR-FY2015-0038**

SUMMARY ORDER TO CEASE AND DESIST
AND ORDER TO PRODUCE

WHEREAS, the Maryland Department of Labor, Licensing and Regulation, Office of the Commissioner of Financial Regulation (the "Agency") undertook an investigation into the foreclosure consulting services, loan modification services, and mortgage assistance relief services activities of the following: Home Start Housing Center, Home Restoration Group, Default Department Services, Processing Services, Monica Chan, Linda Heiss, and Amber Yvonne Jackaway, (collectively, the "Respondents"); and

WHEREAS, as a result of that investigation, the Commissioner of Financial Regulation (the "Commissioner") finds grounds to allege that Respondents violated various provisions of Maryland law, including the Protection of Homeowners in Foreclosure Act ("PHIFA," at §§ 7-301–7-325 of the Real Property Article ("RP"), Annotated Code of Maryland), the Maryland Mortgage Fraud Protection Act ("MMFPA," at RP §§ 7-401–7-

409), and the Maryland Mortgage Assistance Relief Services Act ("MARSA," at RP §§ 7-501–7-511), and the Commissioner finds that action under §§ 2-114 and 2-115 of the Financial Institutions Article ("FI"), Annotated Code of Maryland, is appropriate.

NOW, THEREFORE, the Commissioner has determined, for the reasons set forth below, that Respondents are in violation of Maryland law, and that it is in the public interest that Respondents immediately CEASE AND DESIST from engaging in any foreclosure consulting services, loan modification services, and mortgage assistance relief services activities with Maryland residents, homeowners and/or consumers (hereinafter "Maryland consumers"), including directly or indirectly offering, contracting to provide, or otherwise engaging in, loan modification activities, loss mitigation services, foreclosure consulting services, or similar services related to Maryland residential real property (collectively, hereinafter "mortgage assistance relief services").

GENERAL AUTHORITY AND JURISDICTION

1. FI §§ 2-115(a) and (b) set forth the Commissioner's general authority to issue summary cease and desist orders, and to take additional actions for violations of laws, regulations, rules, and orders over which the Commissioner has jurisdiction (in addition to taking any other action permitted by law, and subject to a hearing or waiver of hearing), including issuing final cease and desist orders, suspending or revoking licenses, issuing monetary penalties, or taking any combination of these actions.

2. FI §§ 2-114(a) and (b) set forth the Commissioner's general authority to order the production of information, as well as documents and records, while investigating potential violations of laws, regulations, rules, and orders over which the Commissioner has

jurisdiction (which is in addition to the Commissioner's specific investigatory authority set forth in various other Maryland statutes and regulations). Thus, FI § 2-114(a)(2) provides that the Commissioner may "[r]equire . . . a person to file a statement in writing, under oath or otherwise as the Commissioner determines, as to all the facts and circumstances concerning the matter to be investigated." Further, pursuant to FI § 2-114(b), "the Commissioner or an officer designated by the Commissioner may," among other things, "take evidence, and require the production of books, papers, correspondence, memoranda, and agreements, or other documents."

3. The Commissioner has jurisdiction over the business activities at issue in this case. Pursuant to RP § 7-319.1, the Commissioner has the authority to investigate and enforce the provisions of PHIFA. Pursuant to RP § 7-404.1, the Commissioner has the authority to investigate and enforce the provisions of the MMFPA. Pursuant to RP § 7-506, the Commissioner has the authority to investigate and enforce the provisions of MARSA.

4 In the present matter, in January 2015, the Agency began an investigation into the business activities of Respondents as a result of a consumer complaint. Pursuant to the Agency's inquiry into Respondents' business activities, the Commissioner developed reasonable grounds to believe that the Respondents had engaged in mortgage assistance relief services with Maryland consumers that violated various provisions of Maryland Law, including, but not limited to, violating PHIFA, the MMFPA, and MARSA. The legal and factual bases for these determinations are described below.

APPLICABLE PROVISIONS OF PROTECTION OF HOMEOWNERS IN FORECLOSURE ACT (PHIFA)

5. Under PHIFA, (specifically RP § 7-301(i)), the term "*homeowner*" is defined as "the record owner of a residence in default or a residence in foreclosure, or an individual occupying the residence under a use and possession order issued under Title 8, Subtitle 2 of the Family Law Article." In turn, pursuant to RP § 7-301(j), the term "*residence in default*" refers to homeowner-occupied Maryland residential real property "on which the mortgage is at least 60 days in default," while pursuant to RP § 7-301(k), "*residence in foreclosure*" refers to homeowner-occupied Maryland residential real property "against which an order to docket or a petition to foreclose has been filed."

6. Pursuant to RP § 7-301(c), a "*foreclosure consultant*" is defined as a person who:

> (1) Solicits or contacts a homeowner in writing, in person, or through any electronic or telecommunications medium and directly or indirectly makes a representation or offer to perform any service that the person represents will:
>
> (i) Stop, enjoin, delay, void, set aside, annul, stay, or postpone a foreclosure sale;
>
> (ii) Obtain forbearance from any servicer, beneficiary or mortgagee;
>
> (iii) Assist the homeowner to exercise a right of reinstatement provided in the loan documents or to refinance a loan that is in foreclosure and for which notice of foreclosure proceedings has been published;
>
> (iv) Obtain an extension of the period within which the homeowner may reinstate the homeowner's obligation or extend the deadline to object to a ratification;
>
> (v) Obtain a waiver of an acceleration clause contained in any promissory note or contract secured by a mortgage on a residence in default or contained in the mortgage;
>
> (vi) Assist the homeowner to obtain a loan or advance of funds;
>
> (vii) Avoid or ameliorate the impairment of the homeowner's credit resulting from the filing of an order to

> docket or a petition to foreclose or the conduct of a foreclosure sale;
>
> (viii) Save the homeowner's residence from foreclosure;
>
> (ix) Purchase or obtain an option to purchase the homeowner's residence within 20 days of an advertised or docketed foreclosure sale; or
>
> (x) Arrange for the homeowner to become a lessee or renter entitled to continue to reside in the homeowner's residence after a sale or transfer; or
>
> (2) Systematically contacts owners of residences in default to offer foreclosure consulting services.

7. Pursuant to RP § 7-301(d), a "*foreclosure consulting contract*" is defined as "a written, oral, or equitable agreement between a foreclosure consultant and a homeowner for the provision of any foreclosure consulting service."

8. Pursuant to RP § 7-301(e), a "*foreclosure consulting service*" includes:

> (1) Receiving money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a lien on a residence in default;
>
> (2) Contacting creditors on behalf of a homeowner;
>
> (3) Arranging or attempting to arrange for an extension of the period within which a homeowner may cure the homeowner's default and reinstate the homeowner's obligation;
>
> (4) Arranging or attempting to arrange for any delay or postponement of the sale of a residence in default;
>
> (5) Arranging or facilitating the purchase of a homeowner's equity of redemption or legal or equitable title;
>
> (6) Arranging or facilitating the sale of a homeowner's residence or the transfer of legal title, in any form, to another party as an alternative to foreclosure; or
>
> (7) Arranging for or facilitating a homeowner remaining in the homeowner's residence after a sale or transfer as a tenant, renter, or lessee under terms provided in a written lease.

9. Therefore, unless otherwise exempt, the provisions of PHIFA apply to, *inter alia*, activities in which an individual or business offers, sells, provides, or enters into an agreement to provide, residential mortgage loan modification services (that is, loss

mitigation, foreclosure consulting, and similar services) pertaining to a Maryland residence in default or in foreclosure.

10. PHIFA provides that, "a homeowner has the right to rescind a foreclosure consulting contract at any time" (RP § 7-305), and that a foreclosure consulting contract must include, *inter alia*, appropriate notices of rescission and related information (*see* RP §§ 7-306(a)(6), (b), and (c)).

11. RP § 7-307(2) provides that a foreclosure consultant may not "[c]laim, demand, charge, collect, or receive any compensation until after the foreclosure consultant has fully performed each and every service the foreclosure consultant contracted to perform or represented that the foreclosure consultant would perform." Further, RP § 7-307(7) states that a foreclosure consultant may not "[r]eceive any money to be held in escrow or on a contingent basis on behalf of the homeowner."

12. RP § 7-307(10) provides that a foreclosure consultant may not "[i]nduce or attempt to induce any homeowner to enter into a foreclosure consulting contract that does not comply in all respects with this subtitle."

13. Pursuant to RP § 7-309(b), "[a] foreclosure consultant owes the same duty of care to a homeowner as a licensed real estate broker owes to a client under § 17-532 of the Business Occupations and Professions Article" ("BO&P"). The pertinent duty of care in the referenced statute is stated to be "[the duty to] exercise reasonable care and diligence." BO&P § 17-532(c)(vi).

14. Pursuant to RP § 7-319.1, the Commissioner may enforce the provisions of PHIFA by, among other things, conducting investigations and issuing orders in accordance with the Commissioner's general powers under FI §§ 2-113 – 2-116, including issuing final

cease and desist orders, and imposing a civil penalty up to $1,000 for a first violation of PHIFA, and up to $5,000 for each subsequent violation. The Commissioner may also require persons to take affirmative action to correct a violation, including the restitution of money or property to individuals aggrieved by the violation.

APPLICABLE PROVISIONS OF MARYLAND MORTGAGE FRAUD PROTECTION ACT (MMFPA)

15. Under the MMFPA, specifically RP § 7-401(c), the term "*homeowner*" is defined as: "(1) [a] record owner of residential real property; or (2) [a]n individual occupying the residential real property under a use and possession order issued under Title 8, Subtitle 2 of the Family Law Article."

16. Pursuant to RP § 7-401(d), the term "*mortgage fraud*" is defined as follows:

> "Mortgage fraud" means any action by a person made with the intent to defraud that involves:
>
> (1) Knowingly making any deliberate misstatement, misrepresentation, or omission during the mortgage lending process with the intent that the misstatement, misrepresentation, or omission be relied on by a mortgage lender, borrower, or any other party to the mortgage lending process;
>
> (2) Knowingly creating or producing a document for use during the mortgage lending process that contains a deliberate misstatement, misrepresentation, or omission with the intent that the document containing the misstatement, misrepresentation, or omission be relied on by a mortgage lender, borrower, or any other party to the mortgage lending process;
>
> (3) Knowingly using or facilitating the use of any deliberate misstatement, misrepresentation, or omission during the mortgage lending process with the intent that the misstatement, misrepresentation, or omission be relied on by a mortgage lender, borrower, or any other party to the mortgage lending process;

> (4) Receiving any proceeds or any other funds in connection with a mortgage closing that the person knows resulted from a violation of item (1), (2), or (3) of this subsection;
>
> (5) Conspiring to violate any of the provisions of item (1), (2), (3), or (4) of this subsection; or
>
> (6) Filing or causing to be filed in the land records in the county where a residential real property is located, any document relating to a mortgage loan that the person knows to contain a deliberate misstatement, misrepresentation, or omission.

17. Pursuant to RP § 7-401(e), the term "*mortgage lending process*" is defined as follows:

> (1) "Mortgage lending process" means the process by which a person seeks or obtains a mortgage loan.
>
> (2) "Mortgage lending process" includes:
>
> (i) The solicitation, application, origination, negotiation, servicing, underwriting, signing, closing, and funding of a mortgage loan; and
>
> (ii) The notarizing of any document in connection with a mortgage loan.

In turn, "servicing" a mortgage loan refers to activities engaged in by mortgage servicers, which includes, among other things, "a person who . . . [c]ollects or otherwise receives payments on mortgage loans directly from borrowers for distribution to any other person." FI § 11-501(n).

18. Pursuant to RP § 7-402, "[a] person may not commit mortgage fraud."

19. Pursuant to RP § 7-404.1, the Commissioner may enforce the provisions of the MMFPA by, among other things, conducting investigations and issuing orders in accordance with the Commissioner's general powers under FI §§ 2-113 – 2-116, including issuing final cease and desist orders, and imposing a civil penalty up to $1,000 for a first violation of the MMFPA, and up to $5,000 for each subsequent violation. The

Commissioner may also require persons to take affirmative action to correct a violation, including the restitution of money or property to individuals aggrieved by the violation.

APPLICABLE PROVISIONS RELATED TO THE MARYLAND MORTGAGE ASSISTANCE RELIEF SERVICES ACT (MARSA)

20. MARSA requires compliance with the federal Mortgage Assistance Relief Services Rule (hereinafter, "Regulation O"), set forth in 12 C.F.R. Part 1015. Specifically, RP § 7-502 provides as follows: "[a] mortgage assistance relief service provider providing mortgage assistance relief service in connection with a dwelling in the State that does not comply with 12 C.F.R. §§ 1015.1 through 1015.11 and any subsequent revision of those regulations is in violation of this subtitle." Therefore, any violation of Regulation O is a violation of MARSA pursuant to RP § 7-502.

21. Pursuant to RP § 7-501(d) of MARSA, "mortgage assistance relief service" has the meaning stated in 12 C.F.R. § 1015.2 and any subsequent revision of that federal regulation. Further, pursuant to RP § 7-501(e), "mortgage assistance relief service provider" has the meaning stated in 12 C.F.R. § 1015.2 and any subsequent revision of that regulation, and incorporates the meanings of other terms stated in 12 C.F.R. § 1015.2 to the extent those terms are used to establish the meaning of "mortgage assistance relief service provider."

22. In turn, 12 C.F.R. § 1015.2 defines "mortgage assistance relief service provider" as "any person that provides, offers to provide, or arranges for others to provide, any mortgage assistance relief service," excluding "[t]he dwelling loan holder, or any agent or contractor of such individual or entity," and "[t]he servicer of a dwelling loan, or any agent or contractor of such individual or entity." Further, 12 C.F.R. § 1015.2 defines "mortgage assistance relief service" as follows:

> *Mortgage Assistance Relief Service* means any service, plan, or program, offered or provided to the consumer in exchange for consideration, that is represented, expressly or by implication, to assist or attempt to assist the consumer with any of the following:
> (1) Stopping, preventing, or postponing any mortgage or deed of trust foreclosure sale for the consumer's dwelling, any repossession of the consumer's dwelling, or otherwise saving the consumer's dwelling from foreclosure or repossession;
> (2) Negotiating, obtaining, or arranging a modification of any term of a dwelling loan, including a reduction in the amount of interest, principal balance, monthly payments, or fees;
> (3) Obtaining any forbearance or modification in the timing of payments from any dwelling loan holder or servicer on any dwelling loan;
> (4) Negotiating, obtaining, or arranging any extension of the period of time within which the consumer may:
> (i) Cure his or her default on a dwelling loan,
> (ii) Reinstate his or her dwelling loan,
> (iii) Redeem a dwelling, or
> (iv) Exercise any right to reinstate a dwelling loan or redeem a dwelling;
> (5) Obtaining any waiver of an acceleration clause or balloon payment contained in any promissory note or contract secured by any dwelling; or
> (6) Negotiating, obtaining or arranging:
> (i) A short sale of a dwelling,
> (ii) A deed-in-lieu of foreclosure, or
> (iii) Any other disposition of a dwelling other than a sale to a third party who is not the dwelling loan holder.

Therefore, under the pertinent federal regulations, incorporated into Maryland law through RP §§ 7-501 and 502 of MARSA, the definition of "mortgage assistance relief service provider" includes persons offering, providing, or representing that they can provide, loan modification services.

23. Pursuant to 12 C.F.R. § 1015.3 of Regulation O, mortgage assistance relief service providers are prohibited from making various representations, including representations that a consumer should not contact their mortgage lender or servicer (§

1015.3(a)), misrepresentations related to any material aspect of any mortgage assistance relief service (§ 1015.3(b)), and representations about the benefits, performance, or efficacy of any mortgage assistance relief service without possessing competent and reliable evidence substantiating that the representation is true (§ 1015.3(c)).

24. Pursuant to 12 C.F.R. § 1015.4, it is a violation of Regulation O for mortgage assistance relief service providers to fail to include the disclosures set forth in § 1015.4(a) for all general commercial communications, and it is a violation of Regulation O for them to fail to include the additional disclosures set forth in § 1015.4(b) for all consumer-specific commercial communications.

25. Pursuant to 12 C.F.R. § 1015.5(a) of Regulation O, mortgage assistance relief service providers are prohibited from collecting any up-front or other fees from consumers prior to the consumer entering into a written agreement with their lender or servicer that incorporates the offer of mortgage assistance relief.

26. Further, 12 C.F.R. § 1015.5(b)–(d) requires mortgage assistance relief service providers to give additional disclosures and notices to consumers at the time the provider furnishes the consumer with the written agreement specified in paragraph 12 C.F.R. § 1015.5(a); the failure to provide such notices and disclosures constitutes a violation of Regulation O.

27. Pursuant to 12 C.F.R. § 1015.6, it is a violation of Regulation O "for a person to provide substantial assistance or support to any mortgage assistance relief service provider when that person knows or consciously avoids knowing that the provider is engaged in any act or practice that violates this rule."

28. Pursuant to 12 C.F.R. § 1015.8, it is a violation of Regulation O "for any person to obtain, or attempt to obtain, a waiver from any consumer of any protection provided by or any right of the consumer under this rule."

29. Recordkeeping and compliance requirements for mortgage assistance relief service providers are set forth in 12 C.F.R. § 1015.9, and the failure to comply with any of those requirements also constitutes a violation of Regulation O.

30. Pursuant to RP § 7-506, the Commissioner may enforce the provisions of MARSA by, among other things, conducting investigations and issuing orders in accordance with the Commissioner's general powers under FI §§ 2-113 – 2-116, including issuing final cease and desist orders, and imposing a civil penalty up to $1,000 for a first violation of MARSA, and up to $5,000 for each subsequent violation. The Commissioner may also require persons to take affirmative action to correct a violation, including the restitution of money or property to individuals aggrieved by the violation.

FACTUAL DETERMINATIONS

31. The Agency's investigation of the business activities of Respondents revealed the following:

a. Home Start Housing Center, Home Restoration Group, Default Department Services, and Processing Services (the "Respondent businesses") are businesses operating out of California that promise to obtain loan modifications for homeowners, and therefore offer mortgage assistance relief services. None of the Respondent businesses was legally incorporated or organized under the laws of California or any other state. Further, none of the Respondent businesses is registered with the Maryland State Department of

Assessments & Taxation, and in fact none of the Respondent businesses is registered to conduct business in any state.

b. Monica Chan, Linda Heiss, and Amber Yvonne Jackaway (the "individual Respondents") are the owners, directors, officers, managers, and/or agents of the Respondent businesses. These individual Respondents direct or exercise control over the business activities and finances of the Respondent businesses, including with regard to their loan modification activities with Maryland consumers.

c. All of the Respondents acted in concert in a single enterprise, and engaged in business activities in the State of Maryland with Maryland consumers.

d. The Respondents, both directly and through third party referral agents, advertised and marketed loan modification services to Maryland residents, including, but not limited to, using internet-based advertising and by sending marketing materials through U.S. mail to Maryland residents, offering mortgage loan modifications for homeowners in foreclosure or in default on their residential mortgage loans. Consumers could accept Respondents' offer by sending various payments via certified funds to the Respondents.

e. Respondents operated a web site at www.homestarthousingcenter.org, and communicated with consumers via phone and by email (using the single email address of homestart@homestarthousingcenter.org). Consumers sent all documents related to these agreements, including mortgage and financial documents, to the Respondents via fax. Consumers were required to send payments to Respondents in the form of cashier's checks or money orders to the following mailing address: 3006 S. Vermont Avenue, Suite 139, Los

Angeles, California 90007. This mailing address is a dropbox rented to the Respondents by Village Mail Box.

f. Respondents' marketing materials and other written documents, as well as the representations made by Respondents to consumers, were intended to intentionally deceive consumers into believing that Respondents were offering a mortgage loan modification on behalf of the consumer's mortgage lender or servicer through the federal Making Home Affordable ("MHA") program. MHA is an official group of programs provided by the U.S. Department of the Treasury and the U.S. Department of Housing and Urban Development for homeowners struggling with their mortgage payments. However, the Respondents did not have authority to offer loan modifications on behalf of any mortgage lender or servicer, and they were not in any was associated with the federal MHA program.

g. Respondents failed to maintain any of the pertinent records involving Maryland consumers for more than a few months, including the loan modification offers and other communications that they sent to Maryland consumers, as well as the consumers' mortgage documents and other pertinent financial records that they transmitted to the Respondents.

32. The Agency's investigation revealed that, in approximately November 2014, [redacted] ("Consumer A"), who was more than 60 days in default on her Maryland residential mortgage loan, received a mailing from Respondents promising to provide her a loan modification of her residential mortgage loan with Wells Fargo Bank, N.A., through the MHA program. Respondents' written mailing stated that, in order for Consumer A to "accept this offer," Consumer A needed to send Respondents a $3,898.71 "Reinstatement

Fee," which Respondents claimed was requested by Wells Fargo, and then Consumer A needed to make three monthly "trial period payments" of $1,166.74 beginning on February 1, 2015. Consumer A was deceived into believing that Respondents were making a legitimate loan modification offer on behalf of Wells Fargo Bank through the MHA program, and that her loan would be modified by Wells Fargo Bank once she "accepted" the offer by sending payments to the Respondents.

33. As a result of Respondents' fraudulent offer, Consumer A sent a certified check to the Respondents in the amount of $3,898.71 in December 2014 as a "Reinstatement Fee," and Consumer A faxed a number of mortgage and financial documents to the Respondents at the Respondents' request. After mailing the "Reinstatement Fee" to the Respondents, Consumer A learned that Respondents' loan modification offer was not a legitimate offer from Wells Fargo Bank through the MHA program, and she stopped making payments to the Respondents. Although Consumer A requested that Respondents provide a refund of the "Reinstatement Fee" that she had paid, Respondents refused to provide Consumer A with the requested refund.

34. The Agency's investigation determined that the Respondents' offer to provide a loan modification for Consumer A was a sham. Although Respondents collected $3,898.71 in up-front fees from Consumer A, Respondents never had the authority to offer loan modifications on behalf of Wells Fargo Bank through the MHA program. Respondents never performed any of the promised services for Consumer A, Respondents never intended to perform the promised services, and Respondents refused to return the $3,898.71 up-front payment that Respondents had received from Consumer A.

35. The Agency's investigation determined that Respondents sent similar fraudulent mortgage loan modification offers to other Maryland consumers promising loan modifications on behalf of the consumer's mortgage lender or servicer, purportedly through the MHA program, requiring the consumers to pay thousands of dollars in up-front fees to the Respondents in order to "accept" the loan modification offer. Further, the Agency has reasonable grounds to believe that all of Respondents' business activities vis-à-vis Maryland residential homeowners involved the same types of fraudulent conduct with the same intent to deceive. As such, Respondents engaged in a pattern of such fraudulent activity involving Maryland consumers.

36. The Agency's investigation determined that the business activities of Respondents are subject to PHIFA. The Maryland consumers to whom Respondents offered loan modifications were in default or in foreclosure on their Maryland residential mortgage loans. By entering into agreements with Maryland homeowners to provide residential mortgage loan modification services pertaining to homeowner-occupied Maryland residential real property, which residences were in default or foreclosure, the Respondents acted as "foreclosure consultants" under PHIFA (as that term is defined at RP § 7-301(c)), as they had entered into "foreclosure consulting contracts" with homeowners for the provision of "foreclosure consulting services" (as those terms are defined under RP §§ 7-301(d) and (e), respectively). As such, Respondents were required to comply with all provisions of PHIFA applicable to foreclosure consultants.

37. The Agency's investigation demonstrated that Respondents' business activities were subject to the MMFPA. By knowingly making deliberate misstatements and misrepresentations to Maryland consumers with the intention of deceiving consumers into

believing that Respondents were offering loan modifications on behalf of the consumers' mortgage lenders, and then collecting money from consumers purportedly on behalf of those mortgage lenders, Respondents put themselves within the definition of a "mortgage servicer" under FI § 11-501(n), as a person who "collects or otherwise receives payments on mortgage loans directly from borrowers for distribution to any other person." As such, Respondents engaged in fraud in the context of mortgage loan "servicing," which by definition is part of the "mortgage lending process" under RP § 7-401(e). Therefore, Respondents engaged in fraudulent business activities that are considered "mortgage fraud" under RP § 7-401(d) of the MMFPA.

38. The Agency's investigation further determined that the loan modification activities of Respondents constitute "mortgage assistance relief services" under 12 C.F.R. § 1015.2, and that the Respondents satisfy the definition of "mortgage assistance relief service providers" under 12 C.F.R. § 1015.2. As such, the Respondents' loan modification activities are subject to both Regulation O and MARSA, including the investigative and enforcement authority of the Commissioner set forth in RP § 7-506.

CHARGES

Violations of the Protection of Homeowners in Foreclosure Act (PHIFA)

Count 1: Solicited and collected illegal fees

39. Respondents violated RP § 7-307(2) of PHIFA by soliciting or collecting up-front or other fees from Maryland homeowners prior to those homeowners actually receiving a loan modification from their mortgage lender or servicer as a result of any services provided by Respondents. Thus Respondents violated RP § 7-307(2) by collecting

$3,898.71 in "Reinstatement Fees" from Consumer A and by requiring Consumer A to make three "trial period payments" of $1,166.74 to the Respondents before Consumer A's loan "would be permanently modified." Further, Respondents violated RP § 7-307(2) in every other instance where they solicited or collected fees from Maryland homeowners prior to those homeowners actually receiving a loan modification.

Count 2: Failed to provide required notices of rescission and related information

40. Respondents violated PHIFA by inducing Maryland homeowners to enter into foreclosure consulting agreements which lacked the notices of rescission and related information required under RP §§ 7-305 and 7-306(a)(6), (b), and (c), and thus Respondents violated RP § 7-307(10) ("[a] foreclosure consultant may not . . . [i]nduce or attempt to induce any homeowner to enter into a foreclosure consulting contract that does not comply in all respects with [PHIFA])." Respondents violated RP § 7-307(10) in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 3: Breached duty of reasonable care and diligence

41. Respondents violated PHIFA when they breached the duty of reasonable care and diligence required under RP § 7-309(b) and BO&P § 17-532(c)(vi), including, but not limited to, the following conduct: Respondents made fraudulent loan modification offers to consumers that appears to be on behalf of the consumer's mortgage lenders through the federal MHA program, when in fact the Respondents had no authority to make such offers on behalf mortgage lenders through any federal program; Respondents failed to perform those loan modification and foreclosure prevention services for Maryland consumers which they promised to provide and for which they had collected up-front fees; and Respondents

refused to provide refunds to Maryland consumers when such refunds were requested by consumers for lack of service. Respondents violated this provision in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Violations of the Maryland Mortgage Fraud Protection Act (MMFPA)

Count 4: Engaged in mortgage fraud

42. By knowingly making deliberate misstatements and misrepresentations to Maryland consumers in both their written documents and through their other written and oral communications, which were intended to deceive consumers into believing that Respondents were offering loan modifications on behalf of each consumer's mortgage lender, and by then receiving or collecting money from those consumers purportedly on behalf of those mortgage lenders, Respondents engaged in fraud in the context of mortgage loan "servicing," which pursuant to RP § 7-401(e), is considered part of the "mortgage lending process." As such, Respondents engaged in "mortgage fraud" pursuant to RP § 7-401(d)(1),(2), and (3), and thus violated the MMFPA pursuant to RP § 7-402, as to each document and each communication that Respondents sent or made to Consumer A, in which Respondents fraudulently offered or agreed to provide Consumer A with a loan modification on behalf of Wells Fargo Bank. Further, Respondents violated the MMFPA in each instance where they sent a document to, or communicated with, Maryland consumers, in which Respondents offered or agreed to provide the consumer a loan modification on behalf of the consumer's mortgage lender.

Count 5: Conspiracy

43. Respondents acted in concert as a single enterprise in all of their business activities with Maryland consumers. As such, Respondents conspired to engage in the mortgage fraud described in Paragraph 41, above, and this conspiracy constitutes a separate act of mortgage fraud pursuant to RP § 7-401(d)(5). Therefore, Respondents violated the MMFPA pursuant to RP § 7-402, by conspiring to engage in activities constituting mortgage fraud under RP § 7-401(d)(5), in each instance where Respondents offered or agreed to provide Maryland consumers a loan modification on behalf of the consumer's mortgage lender.

Violations of the Maryland Mortgage Assistance Relief Services Act (MARSA)

Count 6: Misrepresented the likelihood of receiving a loan modification

44. Respondents violated multiple provisions of 12 C.F.R. § 1015.3(b), each of which violation constitutes a separate violation of MARSA pursuant to RP § 7-502, by making material misrepresentations to Consumer A concerning various aspects of the mortgage assistance relief services promised by Respondents. First, Respondents promised Consumer A that she would obtain a loan modification of her mortgage loan with Wells Fargo Bank if she made specific payments to the Respondents, when in fact Consumer A was never eligible to receive such a loan modification. By making misrepresentations about the likelihood of Maryland consumers obtaining the promised loan modification, Respondents violated 12 C.F.R. § 1015.3(b)(1), and thus violated MARSA pursuant to RP §

7-502. Respondents violated these provisions in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 7: Misrepresented their association with a governmental homeowner assistance plan

45. Respondents stated or implied that they were affiliated or otherwise associated with the federal MHA program, when in fact they were not in any way affiliated or associated with any governmental plan or program. By misrepresenting their association with a governmental homeowner assistance plan, Respondents violated 12 C.F.R. § 1015.3(b)(3)(ii), and thus violated MARSA pursuant to RP § 7-502. Respondents violated these provisions in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 8: Misrepresented their association with the consumer's mortgage lender

46. In their business activities with Consumer A, Respondents stated or implied that they were affiliated or otherwise associated with Wells Fargo Bank, when in fact they had no affiliation or association with the Bank. By misrepresenting their association with the consumer's mortgage lender or servicer, Respondents violated 12 C.F.R. § 1015.3(b)(3)(v), and thus violated MARSA pursuant to RP § 7-502. Respondents violated these provisions in every instance where they misrepresented their affiliation with the consumer's mortgage lender or servicer in their offer of a loan modification to Maryland consumers.

Count 9: Made misrepresentations related to scheduled mortgage payments

47. Respondents stated or implied that Consumer A's loan with Wells Fargo would be modified once she made 3 mortgage payments under a "trial payment period" directly to Respondents on behalf of Wells Fargo, and Respondents made other representations about Consumer A's future loan modification payments. All such representations to the consumer were completely false. By making misrepresentations to Maryland consumers concerning their obligations to make scheduled period payments or any other payments pursuant to the terms of the consumer's dwelling loan, Respondents violated 12 C.F.R. § 1015.3(b)(4), and thus violated MARSA pursuant to RP § 7-502. Respondents violated these provisions in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 10: Misrepresented the terms or conditions of the mortgage loan resulting from the offered loan modification

48. The fabricated loan modification offer that Respondents made to Consumer A contained misrepresentations about the terms or conditions of Consumer A's dwelling loan that would supposedly result from the loan modification, and thus Respondents violated 12 C.F.R. § 1015.3(b)(5), which constitutes a violation of MARSA pursuant to RP § 7-502. Respondents violated these provisions in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 11: Misrepresented the right to collect payments

49. Respondents represented to Consumer A that they were authorized to collect the "Reinstatement Fee" and "trial term payments" on behalf of Wells Fargo Bank, when in fact the Respondents had no such authority and were not authorized to collect any payments

on behalf of the Bank. By misrepresenting their right to collect or receive such payments, Respondents violated 12 C.F.R. § 1015.3(b)(7), and thus violated MARSA pursuant to RP § 7-502. Respondents violated these provisions in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 12: Misrepresented the amount of money or the percentage of debt amount that the consumer would save by accepting the offer

50. Respondents' fraudulent loan modification offer to Consumer A contained misrepresentations about the amount of money or the percentage of debt amount that Consumer A would save by accepting the mortgage assistance relief service offer. As such, Respondents violated 12 C.F.R. § 1015.3(b)(10), and thus violated MARSA pursuant to RP § 7-502. Respondents violated these provisions in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 13: Misrepresented the total cost to purchase the mortgage assistance relief services

51. Respondents stated or implied that the fees being collected under the loan modification offer were to be paid to Wells Fargo, when in fact Respondents kept those payments themselves. As such, Respondents misrepresented the total cost to purchase the mortgage assistance relief services, in violation of 12 C.F.R. § 1015.3(b)(11), which in turn violated MARSA pursuant to RP § 7-502. Respondents violated these provisions in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 14: Made representations about the loan modification not based on competent and reliable evidence

52. By offering a loan modification that did not exist, and by representing that Consumer A would definitively receive the loan modification if she made various payments to the Respondents, Respondents made a representation about the benefits, performance, or efficacy of their mortgage assistance relief services that was not based on competent and reliable evidence, and which in fact was false. This false representation violated 12 C.F.R. § 1015.3(c), and thus violated MARSA pursuant to RP § 7-502. Respondents violated these provisions in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 15: Failed to include required disclosure in general commercial communication about lack of government association and approval

53. Respondents failed to make the various disclosures required by 12 C.F.R. § 1015.4(a) in any of their general commercial communications for mortgage assistance relief services. First, Respondents failed to include the following statement in their general commercial communications to Maryland consumers: "(Name of company) is not associated with the government, and our service is not approved by the government or your lender." By failing to include this statement, Respondents violated 12 C.F.R. § 1015.4(a)(1), and thus violated MARSA pursuant to RP § 7-502, in every instance where Respondents sent general commercial communications to Maryland consumers.

Count 16: Failed to include required disclosure in general commercial communication about uncertainty of lender approval

54. Although Respondents represented that Maryland consumers would receive a modification of the terms of their dwelling loan, that they would receive a reinstatement of

their dwelling loan, and that they would receive other services or results set forth in paragraphs (2) through (6) of the definition of "Mortgage Assistance Relief Service" in 12 C.F.R. § 1015.2, Respondents failed to include the following statement in their general commercial communications: "Even if you accept this offer and use our service, your lender may not agree to change your loan." By failing to include this statement, Respondents violated 12 C.F.R. § 1015.4(a)(2), and thus violated MARSA pursuant to RP § 7-502, in every instance where Respondents sent general commercial communications to Maryland consumers.

Count 17: Failed to include required disclosure in consumer-specific commercial communication about stopping doing business, rejecting loan modification offer, and payment for services

55. Respondents failed to make the various disclosures required by 12 C.F.R. § 1015.4(b) in any of their consumer-specific commercial communications for mortgage assistance relief services. First, Respondents failed to include the following statement in their consumer-specific commercial communications to Maryland consumers: "You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance we obtain from your lender [or servicer]. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us (insert amount or method of calculating the amount) for our services." By failing to include this statement, Respondents violated 12 C.F.R. § 1015.4(b)(1), and thus violated MARSA pursuant to RP § 7-502, in every instance where Respondents sent consumer-specific commercial communications to Maryland consumers.

Count 18: Failed to include required disclosure in consumer-specific commercial communication about lack of government association and approval

56. Respondents also failed to include the following statement in their consumer-specific commercial communications to Maryland consumers: "(Name of company) is not associated with the government, and our service is not approved by the government or your lender." By failing to include this statement, Respondents violated 12 C.F.R. § 1015.4(b)(2), and thus violated MARSA pursuant to RP § 7-502, in every instance where Respondents sent consumer-specific commercial communications to Maryland consumers.

Count 19: Failed to include required disclosure in consumer-specific commercial communication about uncertainty of lender approval

57. Although Respondents represented that consumers would receive a modification of the terms of their dwelling loan, that they would receive a reinstatement of their dwelling loan, and that they would receive other services or results set forth in paragraphs (2) through (6) of the definition of "Mortgage Assistance Relief Service" in 12 C.F.R. § 1015.2, Respondents failed to include the following statement in their consumer-specific commercial communications to Maryland consumers: "Even if you accept this offer and use our service, your lender may not agree to change your loan." By failing to include this statement, Respondents violated 12 C.F.R. § 1015.4(b)(3), and thus violated MARSA pursuant to RP § 7-502, in every instance where Respondents sent consumer-specific commercial communications to Maryland consumers.

Count 20: Failed to include required disclosure concerning the impact of stopping mortgage payments

58. Respondents' offer to provide loan modifications required that Maryland consumers make three "trial period payments" to the Respondents, rather than making their actual mortgage payments to their mortgage lender or servicer. As such, Respondents represented, expressly or by implication, that the consumer should temporarily or permanently discontinue payments, in whole or in part, on their dwelling loan. Therefore, pursuant to 12 C.F.R. § 1015.4(c), Respondents were required to make the following disclosure in all communications to Maryland consumers: "If you stop paying your mortgage, you could lose your home and damage your credit rating." However, Respondents failed to include this disclosure in any of their communications to Maryland consumers. By failing to include this disclosure, Respondents violated 12 C.F.R. § 1015.4(c), and thus violated MARSA pursuant to RP § 7-502, in every instance where Respondents sent any communication to Maryland consumers.

Count 21: Requested and received illegal payments

59. Respondents requested and received payments from Consumer A and other Maryland consumers, including but not limited to "Reinstatement Fees" and "trial period payments," prior to the consumers executing a written agreement between the consumer and the consumer's dwelling loan holder or servicer incorporating a loan modification offer or other offer of mortgage assistance relief obtained by Respondents from the consumer's dwelling loan holder or servicer. Therefore, Respondents violated 12 C.F.R. § 1015.5(a), and thus violated MARSA pursuant to RP § 7-502, in every instance where Respondents requested or received any payments from Maryland consumers prior to the consumer

entering into a loan modification agreement with their mortgage loan holder or servicer incorporating an offer obtained by Respondents.

Count 22: Failed to include required disclosure indicating that the consumer is not required to pay for services if they reject the lender's offer

60. As part of Respondents' business activities, Respondents sent Maryland consumers a fraudulent loan modification offer purportedly on behalf of their mortgage lender or servicer. Such offers failed to include the disclosures required by 12 C.F.R. § 1015.5(b), to the effect that the consumer is not required to pay the Respondents if they "reject the offer" from the mortgage lender or servicer. Therefore, Respondents violated 12 C.F.R. § 1015.5(b), and thus violated MARSA pursuant to RP § 7-502, in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 23: Failed to provide disclosure concerning material differences between the current loan and the loan modification offer

61. The fraudulent loan modification offers sent by Respondents to Maryland consumers failed to include the notice required by 12 C.F.R. § 1015.5(c)(1), in the manner and with the heading set forth in § 1015.5(c)(2), describing all material differences between the terms, conditions, and limitations associated with the consumer's current mortgage loan and the terms, conditions, and limitations associated with the consumer's current mortgage loan if the consumer accepts the dwelling loan holder's or servicer's offer, including but not limited to differences in the items set forth in § 1015.5(c)(1)(i)–(vii) (*e.g.*, principal balance, contract interest rate, amount and number of scheduled periodic payments on the loans, *etc.*). Therefore, Respondents violated 12 C.F.R. § 1015.5(c), and thus violated MARSA pursuant

to RP § 7-502, in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 24: Failed to provide notice required for trial loan modification offers

62. Although the fraudulent loan modification offer sent by Respondents to Maryland consumers contained reference to a "trial period," Respondents failed to include the additional required disclosures set forth in 12 C.F.R. § 1015.5(d) related to the terms, conditions, and limitations of the trial offer, including but not limited to the fact that the consumer may not qualify for a permanent mortgage loan modification, and the likely amount of the scheduled periodic payments and any arrears, payments, or fees that the consumer would owe in failing to quality. Therefore, Respondents violated 12 C.F.R. § 1015.5(d), and thus violated MARSA pursuant to RP § 7-502, in every instance where they offered or agreed to provide Maryland consumers a mortgage loan modification referencing a "trial period."

Count 25: Knowingly provided substantial assistance and support to mortgage assistance relief service providers violating Regulation O

63. To the extent that any of the Respondents do not meet the definition of a mortgage assistance relief service provider ("provider") under Regulation O, those Respondents still violated Regulation O pursuant to 12 C.F.R. § 1015.6 by providing substantial assistance and support to other Respondents who are considered providers under Regulation O, with the knowledge or conscious avoidance of the knowledge that those providers engaged in acts or practices that violated Regulation O. Respondents violated Regulation O pursuant to 12 C.F.R. § 1015.6, and thus violated MARSA pursuant to RP § 7-

502, in every instance where Respondents offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 26: Failed to maintain records

64. Respondents failed to maintain any of the records specified in 12 C.F.R. § 1015.9(a)(1) through (6) for a period of 24 months from the date the specified records applicable to Maryland consumers were created. Therefore, Respondents violated 12 C.F.R. § 1015.9(a), in turn violating Regulation O pursuant to 12 C.F.R. § 1015.9(d), and thus violated MARSA pursuant to RP § 7-502, as to each record that Respondents were required to maintain for every Maryland consumer to whom Respondents offered or agreed to provide a mortgage loan modification.

Count 27: Failed to properly monitor and ensure compliance by employees

65. The employees and agents of Respondents, and any independent contracts working on Respondents' behalf, intentionally violated the numerous provisions of Regulation O cited above, and in fact never acted in compliance with those provisions. Therefore, Respondents violated 12 C.F.R. § 1015.9(b)(1), in turn violating Regulation O pursuant to 12 C.F.R. § 1015.9(d), and thus violated MARSA pursuant to RP § 7-502, by failing to take reasonable steps sufficient to monitor and ensure that all employees and independent contractors comply with Regulation O.

Count 28: Failed to properly investigate complaints

66. As part of the regular course of their fraudulent conduct towards Maryland consumers, Respondents failed to properly investigate any complaints that Respondents received from Consumer A or from any other Maryland consumer. Therefore, Respondents

violated 12 C.F.R. § 1015.9(b)(2), in turn violating Regulation O pursuant to 12 C.F.R. § 1015.9(d), and thus violated MARSA pursuant to RP § 7-502, in every instance where Respondents received a complaint from a Maryland consumer.

Count 29: Failed to take corrective action with respect to employees

67. As part of the regular course of their fraudulent conduct towards Maryland consumers, Respondents failed to take any corrective action with respect to employees who violated Regulation O. Therefore, Respondents violated 12 C.F.R. § 1015.9(b)(3), in turn violating Regulation O pursuant to 12 C.F.R. § 1015.9(d), and thus violated MARSA pursuant to RP § 7-502, in every instance where Respondents offered or agreed to provide Maryland consumers a mortgage loan modification.

Count 30: Failed to maintain information and material necessary to demonstrate compliance

68. As part of the regular course of their fraudulent conduct towards Maryland consumers, Respondents failed to maintain the information and material necessary to demonstrate their compliance with paragraphs (b)(1) through (b)(3) of 12 C.F.R. § 1015.9. Therefore, Respondents violated 12 C.F.R. § 1015.9(b)(4), in turn violating Regulation O pursuant to 12 C.F.R. § 1015.9(d), and thus violated MARSA pursuant to RP § 7-502, in every instance where Respondents offered or agreed to provide Maryland consumers a mortgage loan modification.

LIABILITY

69. Each of the violations of PHIFA discussed above subjects Respondents to the penalty provisions and other sanctions of PHIFA set forth in RP § 7-319.1, and to all other

enforcement powers of the Commissioner, including but not limited to the Commissioner's authority to issue orders and sanctions under FI § 2-115(b).

70. Each of the violations of the MMFPA discussed above subjects Respondents to the penalty provisions and other sanctions of the MMFPA set forth in RP § 7-404.1, and to all other enforcement powers of the Commissioner, including but not limited to the Commissioner's authority to issue orders and sanctions under FI § 2-115(b).

71. Each of the violations of MARSA discussed above (incorporating violations of Regulation O) subjects Respondents to the penalty provisions and other sanctions of MARSA set forth in RP § 7-506, and to all other enforcement powers of the Commissioner, including but not limited to the Commissioner's authority to issue orders and sanctions under FI § 2-115(b).

WHEREFORE, having determined that immediate action is in the public interest, and pursuant to the aforementioned provisions of the Annotated Code of Maryland, it is, by the Maryland Commissioner of Financial Regulation, hereby

ORDERED that Respondents shall immediately **CEASE** and **DESIST** from engaging in any mortgage assistance relief service activities with Maryland consumers, including, but not limited to, directly or indirectly offering, contracting to provide, or otherwise engaging in, loan modification activities, loss mitigation services, foreclosure consulting, or other similar services with Maryland consumers; it is further

ORDERED that Respondents shall immediately **CEASE** and **DESIST** from violating the aforementioned statutory provisions of the Annotated Code of Maryland, including, but not limited to, Title 7, Subtitle 3 of the Real Property Article (Protection of

Homeowners in Foreclosure Act, or "PHIFA"), Title 7, Subtitle 4 of the Real Property Article (Maryland Mortgage Fraud Protection Act, or "MMFPA") and Title 7, Subtitle 5 of the Real Property Article (Maryland Mortgage Assistance Relief Services Act, or "MARSA"); and that Respondents should be assessed statutory monetary penalties and directed to make restitution for all such violations; and it is further

ORDERED that Respondents shall provide to the Office of the Commissioner each of the following within 15 days of the receipt of this Summary Order to Cease and Desist:

a. The names, addresses, and phone numbers of all Maryland residents, homeowners and/or consumers (hereinafter "Maryland consumers") who, at any time on or after January 1, 2007: (1) retained or contracted with Respondents for the purpose (in whole or in part) of obtaining mortgage loan modification, loss mitigation, foreclosure consulting, or similar services related to Maryland residential real property (hereinafter "loan modification services") for them or on their behalf; or (2) were offered loan modifications or loan modification services by Respondents.

   i. For each Maryland consumer identified above, specify the name of the consumer's mortgage lender or servicer, the date Respondents first offered them a mortgage loan modification or mortgage loan modification services, and for every consumer who entered into an agreement to obtain a mortgage loan modification or mortgage loan modification service from Respondents indicate whether the consumer was current, in default, or in foreclosure on their residential mortgage loan.

   ii. Additionally, if the person was in default, specify the number of days that they were in default as of the date that they entered into the agreement. Also indicate whether the person was directed to stop making payments on their residential mortgage loan.

b. Any and all documents under Respondents' control or in their possession pertaining to their loan modification services, agreements, and activities on or after January 1, 2007 related to the Maryland consumers identified above, including all agreements or contracts entered into with Maryland consumers.

c. The names, addresses, and phone numbers of third-party individuals or businesses ("third parties") who, at any time on or after January 1, 2007, referred or agreed to refer consumers, potentially including Maryland consumers, to Respondents for the purpose (in whole or in part) of providing loan modification services.

d. The names, addresses, and phone numbers of third-parties to whom, at any time on or after January 1, 2007, Respondents referred or agreed to refer, consumers,

potentially including Maryland consumers, for the purpose (in whole or in part) of providing loan modification services, or to whom Respondents referred or agreed to refer consumers, potentially including Maryland consumers, for the purpose of obtaining a consumer loan in order to finance loan modification services.

e. Any and all documents under Respondents' control or in their possession pertaining to the third-parties identified above, the content of which documents relates in any way to loan modification services to be performed on or after January 1, 2007, or to any associated referral arrangements, fees, or other forms of compensation.

f. Copies of all marketing and advertising materials potentially reaching Maryland consumers on or after January 1, 2007 which Respondents, or which third parties marketing directly or indirectly on Respondents' behalf, use or have used to market or advertise Respondents' loan modification services, including, but not limited to, copies of all printed marketing materials, internet advertisements, radio and television advertisements, and the scripts of any telephone marketing cold calls.

g. The names, addresses, and phone numbers of all of Respondents' current and former owners, partners, members, officers, employees, associates, agents, and/or contractors who, on or after January 1, 2007 and during their period of employment or association with Respondents, agreed to provide, provided, or assisted in providing, Maryland consumers with loan modification services.

h. Information or documents providing following: the names of all current and former principals, owners, officers, directors, managing members, members, and partners of the Respondent businesses; the contact information for each person identified, including their business address, mailing address (if different), phone number, and email address; all positions held with Respondents; and the dates in each position.

i. All organizational and governing documents for the Respondent businesses, including but not limited to the following: articles of organization; articles of incorporation; operating agreements; partnership agreements; bylaws; other governing documents; and other like documents pertaining to each company's overall structure, governance, and/or operations.

j. Documents detailing financial asset information for all Respondents and for all members and owners of the Respondent businesses for the period from January 1, 2007 through the present, including audited financial statements, unaudited financial statements, tax returns, and like documents.

k. Copies of any surety bonds which Respondents hold, or have held, which would cover any of the loan modification agreements referenced herein.

l. If the Respondents, or if any of the principals, owners, officers, directors, managing members, members, or partners of the Respondent businesses, has ever been named as a respondent, defendant, or party in any action by a federal, state, or local regulatory or law enforcement agency (hereinafter, "governmental agency"),

information or documents which provide the following: the name of the governmental agency; the date the action was commenced; the status of the action; a copy of any complaint, charging letter, summary order, or like document; and a copy of any final order, judgment, or settlement agreement.

And it is further

ORDERED that failure to provide the information and documents set forth above, by the dates specified, will result in negative inferences being drawn against Respondents, including but not limited to the following: that Respondents utilized the same basic form documents and engaged in the same loan modification scheme with all Maryland consumers to whom Respondents made a mortgage loan modification offer; that all of Respondents' business activities with Maryland consumers were subject to PHIFA, the MMFPA, and MARSA; that the individual Respondents directed or controlled all of the activities of the Respondent businesses, and thus all Respondents should be held jointly and severally liable for any violations; that all the mortgage assistance relief service activities of the Respondents were knowing and willful; that the Respondents have acted in bad faith, both in their interactions with Maryland consumers and in their conduct towards the Agency; and that the financial assets of Respondents will not be considered as a mitigating factor in assessing any penalties or restitution; and it is further

ORDERED that the failure to provide the information and documents set forth above, by the dates specified, will constitute a violation of an order of the Commissioner and subject the Respondents to monetary sanctions under FI § 2-115(b); and it is further

ORDERED that all provisions of this Summary Order, including all orders and notices set forth herein, shall also apply to all unnamed owners, partners, directors, managers, members, officers, employees, and/or agents of the Respondents; and it is further

ORDERED that the individual Respondents shall provide a copy of this Summary Order to all unnamed owners, partners, directors, managers, members, officers, employees, and/or agents of the Respondent businesses.

FURTHERMORE,

RESPONDENTS ARE HEREBY NOTIFIED that, pursuant to FI § 2-115, and in accordance with State Government Article ("SG") § 10-207(b)(4), Annotated Code of Maryland, Respondents are entitled to a hearing before the Commissioner to determine whether this Summary Order should be vacated, modified, or entered as a final order of the Commissioner; and further,

RESPONDENTS ARE HEREBY NOTIFIED that, pursuant to FI § 2-115(b), RP §§ 7-319.1, 7-404.1, and 7-506, this Summary Order will be entered as a final order of the Commissioner if Respondents do not request a hearing within 15 days of the receipt of this Summary Order; and further,

RESPONDENTS ARE HEREBY NOTIFIED that, pursuant to Code of Maryland Regulations ("COMAR") § 09.01.02.08, and SG §§ 9-1607.1, 10-206.1, and 10-207, and in accordance with SG § 10-207(b)(4), individual Respondents are only permitted to request a hearing, and to appear at such hearing, on behalf of themselves, or through an attorney authorized to practice law in Maryland at Respondents' own expense; and further,

RESPONDENTS ARE HEREBY NOTIFIED that, pursuant to SG §§ 9-1607.1 and 10-206.1, and in accordance with SG § 10-207(b)(4), businesses are only permitted to request a hearing, and to appear at such hearing, through an attorney authorized to practice law in Maryland at Respondents' own expense; and further,

RESPONDENTS ARE HEREBY NOTIFIED that any and all requests for a hearing in this matter must conform to the requirements stated above, must be made in the form of a signed, written request, and must be submitted to the following address:

Administrator
Enforcement Unit
Office of the Commissioner of Financial Regulation
500 North Calvert Street, Suite 402
Baltimore, Maryland 21202;

And further,

RESPONDENTS ARE HEREBY NOTIFIED that, pursuant to FI § 2-115(b) and RP §§ 7-319.1, 7-404.1, and 7-506, and in accordance with SG § 10-207(b)(3), as a result of a hearing, or of Respondents' failure to timely request a hearing in the manner described above, the Commissioner may, in the Commissioner's discretion, and in addition to taking any other action authorized by law, enter an order making this Cease and Desist Order final, issue a penalty order against Respondents imposing a civil penalty up to $1,000 for the first of each violation of Maryland law cited above, up to $5,000 for each subsequent violation (with potential monetary penalties in this case totaling HUNDREDS OF THOUSANDS OF DOLLARS), or may take any combination of the aforementioned actions against Respondents. Additionally, pursuant to RP §§ 7-319.1(c), 7-404.1(c), and 7-506(c), the Commissioner may enter an order directing Respondents to take affirmative action to correct

the violations described herein, including providing full restitution of money or property to all Maryland consumers aggrieved by Respondents' violations. The Commissioner may also refer this matter to the appropriate governmental agencies for criminal prosecution under RP §§ 7-321, 7-407, and 7-509.

MARYLAND COMMISSIONER OF
FINANCIAL REGULATION

10/26/2015
Date

By: _____
Keisha Whitehall Wolfe
Acting Deputy Commissioner