

IN THE MATTER OF:  
CASEY STRAFACI, and

JOSEPH MIRANDA

Respondents.

BEFORE THE MARYLAND  
COMMISSIONER OF  
FINANCIAL REGULATION

Case No.: CFR- FY2012-177

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order ("Agreement") is entered into this 29 day of May, 2015, by and between the Maryland Commissioner of Financial Regulation (the "Commissioner"), and Casey Strafacci and Joseph Miranda (collectively "Respondents"). The Commissioner and Respondents (the "Parties") consent to the entry of this Agreement as a final resolution of this matter. All paragraphs below are intended to be part of the contractual obligations of the Parties hereto, so far as they may be so construed, and are not mere recitals to this Agreement.

1. Pursuant to the Annotated Code of Maryland Commercial Law Article ("CL"), Title 14, Subtitle 19, (the Maryland Credit Services Businesses Act, hereinafter "MCSBA"), and Financial Institutions Article ("FI"), Title 11, Subtitles 2 and 3, the Commissioner is responsible for licensing and regulating, *inter alia*, all residential mortgage loan modification services (a/k/a loss mitigation, foreclosure consulting, and similar services) provided to consumers with loans secured by residential real property located in the State of Maryland (the "State").

2. The Commissioner has received information which would justify administrative charges being brought against Respondents based, in part, on the following allegation: Respondents provided unlicensed residential loan modification services in violation of the

MCSBA, and FI, Title 11, Subtitles 2 and 3. This determination was based, in part, on the following facts:

a. Respondent Strafaci is a Maryland licensed mortgage loan originator who engaged in business activities with Maryland consumers involving Maryland residential real property;

b. Respondent Miranda was a Maryland licensed mortgage loan originator engaged in business activities with Maryland consumers involving Maryland residential real property;

c. Respondents offered, contracted to provide, or otherwise engaged in direct or indirect loan modification/foreclosure consulting services with a Maryland consumer, [REDACTED] [REDACTED] ("Consumer A"). Further, as part of the loan modification/foreclosure consulting services agreements, Respondents collected upfront fees in exchange for which Respondents represented that they would be able to facilitate a loan modification for Consumer A.

3. Respondents admit to the facts stated above, but do not admit to the alleged violations set forth above. Nonetheless, Respondents wish to resolve the alleged violations without the need for administrative hearings or other legal proceedings, and to avoid the costs associated with such proceedings and any potential appeals. Respondents, therefore, agree to resolve this matter fully, finally, and completely without further administrative proceedings and further accept without condition, and fully agree to abide by, each and every term set forth in this Agreement.

4. The Commissioner desires to ensure that Respondents will comply with all applicable statutes, regulations, and others laws governing Maryland mortgage lending, brokering,

origination, modification, and mitigation, and further wishes to avoid the costs to the taxpayers of an administrative hearing and any potential appeals.

5. Respondents have agreed to take each and every one of the following actions in exchange for a final resolution of all allegations made herein:

a. Respondents will pay \$2,985.00 (TWO THOUSAND NINE HUNDRED EIGHTY FIVE DOLLARS) in restitution to Consumer A.

b. Respondents shall pay restitution to Consumer A, in accordance with the following:

(1) On or before June 5, 2015, Respondents shall mail a check to Consumer A's address, which is [REDACTED]. The restitution check shall also be accompanied by a letter indicating that that the money is being issued pursuant to a Settlement Agreement between Respondents and the Commissioner of Financial Regulation, and that the Settlement Agreement does not in any way affect Consumer A's legal rights.

(2) On or before June 15, 2015, Respondents shall furnish evidence to the Agency that the restitution was tendered by sending to the Agency a copy of the letter and check in the agreed amount sent to Consumer A.

(3) On or before August 31, 2015, Respondents shall furnish evidence to the Agency that the restitution was received by Consumer A by providing a copy of the front and back of the cancelled check by Consumer A.

(4) On or before August 31, 2015, if the restitution check mailed by Respondents to Consumer A in accordance with this Agreement is either not cashed or returned to Respondents as non-deliverable (the "Undeliverable Restitution"), the Undeliverable

Restitution will escheat to the State of Maryland. In such event, Respondents will stop payment on such undeliverable refund payment checks, and shall pay the total amount of Undeliverable Restitution in the form of a single check made payable to the "Comptroller of Maryland," which shall be submitted to Christopher Gray, Staff Attorney, Office of the Attorney General, Department of Labor Licensing and Regulation, 500 N. Calvert Street, Suite 406, Baltimore, Maryland, 21202, copy to the Commissioner, both of which shall be accompanied by a spreadsheet with the following additional information for the undeliverable restitution: the social security number of the consumer (if known), the date of birth of the consumer (if known), the date on which the refund check was mailed, and an indication of whether the refund check was either not cashed or was returned to Respondents as non-deliverable. Such action on the part of Respondents shall relieve them of any further obligation to make restitution to the affected consumer pursuant to this Agreement.

(5) Respondents shall not seek a release from Consumer A in conjunction with this restitution.

c. On or before June 12, 2015, Respondent Strafaci will pay a total civil penalty of \$3,500.00 (THREE THOUSAND FIVE HUNDRED DOLLARS) to the Commissioner by money order or certified check made payable to the Commissioner of Financial Regulation.

d. On or before June 12, 2015, Respondent Miranda will pay a \$3,500.00 (THREE THOUSAND FIVE HUNDRED DOLLARS) civil penalty to the Commissioner by money order or certified check made payable to the Commissioner of Financial Regulation.

e. Respondents agree that each and every loan modification/foreclosure consulting agreement entered into by Respondents to provide loan modification services and/or

foreclosure consulting services to Maryland consumers prior to this Agreement is null and void and unenforceable as contrary to the public policy of the State.

6. Respondents acknowledge that any and all restitution that is provided for under this Agreement is non-dischargeable under the United State Bankruptcy Code, with specific reference, but without limitation, to 11 U.S.C. 523(a)(7).

7. Respondents acknowledge that they have voluntarily entered into this Agreement, with full knowledge of their right to a hearing, arising from any charges based on the alleged violations, pursuant to MCSBA, and FI, Title 11, Subtitles 2 and 3, and the Maryland Administrative Procedures Act (Md. Code Ann., State Gov't. § 10-201 *et seq.*), and that Respondents hereby waive this right to a hearing.

8. Respondents further acknowledge that they had an opportunity to consult with independent legal counsel in connection with the waiver of rights and with the negotiation and execution of this Agreement, and that Respondents have either consulted with independent legal counsel or have knowingly and voluntarily elected not to consult with counsel.

9. Respondents represent that they are currently in compliance with all applicable statutes, regulations, and others laws governing Maryland mortgage lending, brokering, origination, modification, and mitigation, as well as laws governing foreclosure consulting, and that Respondents will continue to act in compliance at all future times.

10. The Parties hereto agree that this Agreement shall be binding and enforceable in court by the Commissioner and by Respondents, shall be admissible in court, and shall be binding upon and inure to any of Respondents' present and future owners, members, officers, employees, successors, and assigns.

11. The Parties hereto agree that any notices or payments hereunder shall be effectively "delivered" when sent via overnight delivery or certified mail as follows:

a. To the Commissioner:

Commissioner of Financial Regulation  
500 North Calvert Street, Suite 402  
Baltimore, Maryland 21202-3651  
ATTN: Deputy Commissioner

With copy to:  
Christopher A. Gray  
Staff Attorney, Office of the Attorney General  
500 North Calvert Street, Suite 406  
Baltimore, Maryland 21202-3651

b. To Respondents by mail and email:

Casey Strafaci  
6901 E. Chauncey Lane, #1053  
Phoenix, Arizona 85054  
[caseystrafaci@gmail.com](mailto:caseystrafaci@gmail.com)

Joseph Miranda  
31 Via Solano  
Rancho Santa Margarita, CA 92688  
[Joemiranda78@gmail.com](mailto:Joemiranda78@gmail.com)

**NOW, THEREFORE**, it is, by the Maryland Commissioner of Financial Regulation,  
hereby

**ORDERED** that Respondents shall adhere to all terms of this Settlement Agreement and  
Consent Order; and it is

**ORDERED** that Respondents shall permanently cease providing any and all residential  
loan modification services, foreclosure consulting services, mortgage assistance relief services,  
mortgage origination services or mortgage lending services in the state of Maryland; and it is  
further

**ORDERED** that, in the event Respondents violate any provision of this Settlement Agreement and Consent Order, or otherwise engage in the activities which formed the basis for the allegations set forth above, the Commissioner may, at the Commissioner's discretion, take any enforcement actions available under FI § 2-115(b) as well as take any other enforcement actions as permitted by, and in accordance with, applicable State law; and that such enforcement actions could include an order to cease and desist, civil money penalties of up to \$1,000.00 for each violation and up to \$5,000.00 for each subsequent violation, an order to provide restitution of money or property to any aggrieved persons, an action for relief in Maryland Circuit Court, and/or referral for possible criminal prosecution; and it is further

**ORDERED** that this matter shall be resolved in accordance with the terms of this Settlement Agreement and Consent Order and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

**ORDERED** that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation, by the authority delegated to the Deputy Commissioner under FI § 2-103, and, although Respondents do not admit to the alleged violations set forth above, nevertheless, the Commissioner may consider this Settlement Agreement and Consent Order and the facts set forth herein in connection with, and in deciding, any action or proceeding before the Commissioner; and that this Settlement Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner.

It is so **ORDERED**.

IN WITNESS WHEREOF, this Settlement Agreement and Consent Order is executed

on the day and year first above written.

MARYLAND COMMISSIONER of  
FINANCIAL REGULATION

CASEY STRAFACCI



By: Keisha Whitehall Wolfe  
Acting Deputy Commissioner



JOSEPH MIRANDA

