

IN THE MATTER OF:
AA US ENTERPRISES, LLC
and
WANDA E. MEDINA

Respondents.

BEFORE THE MARYLAND
COMMISSIONER OF
FINANCIAL REGULATION

Case No.: CFR-FY2012-176

FINAL ORDER TO CEASE AND DESIST

Pursuant to Md. Code Ann., Fin. Inst. Art., § 2-115, and for the reasons stated below, the Commissioner of Financial Regulation of the Department of Labor, Licensing and Regulation of the State of Maryland, by and through Acting Deputy Commissioner Keisha Whitehall Wolfe, on this 4th day of February, 2015, issues this Final Order to Cease and Desist to AA US Enterprises, LLC, and Wanda E. Medina.

The Summary Order to Cease and Desist (“Summary Order”), issued on March 25, 2014, and the Amended Summary Order to Cease and Desist (“Amended Summary Order”), issued on November 12, 2014, are herein adopted and incorporated by reference.

Background

1. As described more fully in the Summary Order, the Maryland Department of Labor, Licensing, and Regulation, Office of the Commissioner of Financial Regulation (the “Agency”), undertook an investigation, as a result of a consumer complaint, into the credit services business activities of AA US Enterprises, LLC and Wanda E. Medina (collectively, the “Respondents”). Respondent Medina is the owner and resident agent of AA US Enterprises, LLC. The Agency’s investigation revealed that, in February 2011, [REDACTED], a consumer, entered into a loan modification agreement with Respondents; the

consumer paid \$1,500 up-front to Respondents in exchange for which Respondents represented that they would obtain a loan modification for the consumer; and Respondents never obtained a loan modification for the consumer and refused to refund the up-front fees, as requested by the consumer.

2. Then Deputy Commissioner of Financial Regulation Gordon M. Cooley, as a result of the Agency's investigation, found reasonable grounds to believe that Respondents were not licensed as required by Maryland law and had violated various provisions of Maryland law, including Md. Code Ann., 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 (Licensing, Consumer Loans and Installment Loans). The Deputy Commissioner determined that enforcement action under FI §§ 2-114 and 2-115 was appropriate.

3. The Deputy Commissioner issued the Summary Order against the Respondents on March 25, 2014, after determining that the Respondents were engaged in credit services business activities, including loan modification services and foreclosure services, and mortgage assistance relief services,¹ as defined by Maryland law, that the Respondents were

¹ At the time of the alleged violation, in February, 2011, the Credit Services Business Act applied to mortgage assistance relief services, like that provided by Respondents. Effective July 1, 2013, the definition of "credit services business" under the Credit Services Business Act was amended to exclude "a mortgage assistance relief service provider regulated under Title 7, Subtitle 5 of the Real Property Article." See 2013 Md. Laws Ch. 247; see also Md. Code Ann., Real Prop. Art., § 7-501 *et seq.* (Maryland Mortgage Assistance Relief Services Act). The 2013 amendment further provided: "This Act is not intended, and may not be construed, to have any effect on the authority of the Commissioner of Financial Regulation to regulate mortgage assistance relief service providers under Title 14, Subtitle 19 of the Commercial Law Article, or on any enforcement actions, including litigation, taken under that authority as it existed and based on actions that occurred before the effective date of this Act [July 1, 2013]." 2013 Md. Laws Ch. 247. [footnote continued]

in violation of the aforementioned provisions of Maryland law, and that it was in the public interest that Respondents immediately cease and desist from engaging in credit services business activities and/or foreclosure consulting activities and mortgage assistance relief services with Maryland consumers related to residential real property.

4. The Summary Order notified Respondents of, among other things, the following: 1) Respondents were entitled to a hearing before the Commissioner of Financial Regulation to determine whether the Summary Order should be vacated, modified, or entered as a final order of the Commissioner; 2) the Summary Order would be entered as a final order if Respondents did not request a hearing within 15 days of the receipt of the Summary Order; and 3) as a result of a hearing or of Respondents' failure to request a hearing, the Commissioner may, in his discretion and in addition to taking any other action allowed by law, enter an order making the Summary Order final, issue penalty orders against Respondents, and issue orders requiring the Respondents to pay refunds and other monetary awards to Maryland consumers, as well as take other actions related to Respondents' business activities.

5. The Summary Order was properly served on Respondents via first class mail and Certified U.S. Mail. Respondents failed to request a hearing in connection with the Summary Order.

6. As described more fully in the Amended Summary Order, the Summary Order was amended on November 12, 2014 after the Agency received an additional complaint from

Effective July 1, 2013, a person must comply with the Maryland Mortgage Assistance Relief Services Act in providing mortgage assistance relief services. *See* Real Prop. Art., § 7-501 *et seq.* The Commissioner's Summary Order to cease and desist thus applied to any and all activity by Respondents in connection with the provision of mortgage assistance relief services, as governed by Real Prop. Art., § 7-501 *et seq.*

a Maryland consumer about Respondents. The complaint was that, on September 12, 2012, consumers [REDACTED] and [REDACTED] entered into a loan modification agreement with Respondents; the consumers paid approximately \$5,000 in up-front fees to Respondents in exchange for which Respondents represented that they would be able to obtain a loan modification for the consumers; and Respondents never obtained a loan modification for the consumers and did not refund consumers' up-front fees. The Commissioner found reasonable grounds to believe that Respondents' actions pertaining to that consumer complaint constituted additional violations of the MCSBA, in the same manner as set forth in the Summary Order, and therefore that additional penalties and monetary awards were appropriate.

7. The Amended Summary Order ordered Respondents to show cause why the Commissioner should not include that consumer transaction in the Final Order and to immediately cease and desist from violating the law. It also notified Respondents of their right to request a hearing to challenge the Amended Summary Order; that the Amended Summary Order would be entered as a final order if Respondents did not request a hearing within 15 days of the receipt of the Amended Summary Order; and as a result of a hearing or of Respondents' failure to request a hearing, the Commissioner may, in his discretion and in addition to taking any other action allowed by law, enter an order making the Amended Summary Order final, issue penalty orders against Respondents, and issue orders requiring the Respondents to pay refunds, restitution and other monetary awards to Maryland consumers, as well as take other actions related to Respondents' business activities.

8. The Amended Summary Order was properly served on Respondents via first class mail and Certified U.S. Mail. Respondents failed to request a hearing in connection with the Amended Summary Order.

NOW, THEREFORE, having determined that Respondents waived their right to a hearing in this matter by failing to request a hearing within the time periods specified in the Summary Order and the Amended Summary Order, and pursuant to CL §§ 14-1907, 14-1911, 14-1912, and FI § 2-115, it is by the Maryland Commissioner of Financial Regulation hereby:

ORDERED that the Summary Order and the Amended Summary Order, each and together, are entered as a final order of the Commissioner;

FURTHER ORDERED that the Respondents shall permanently **CEASE and DESIST** from engaging in any further credit services business activities with Maryland consumers; that Respondents shall permanently **CEASE and DESIST** from engaging in any further mortgage assistance relief services with Maryland consumers; and that Respondents shall permanently **CEASE and DESIST** from further violation of the Maryland laws identified herein;

FURTHER ORDERED that all provisions of this Final Order shall also apply to all named and unnamed partners, employees, and/or agents of Respondents;

FURTHER ORDERED that, pursuant to FI § 2-115(b) and upon consideration of the factors enumerated in FI § 2-115(c), Respondents shall pay to the Commissioner a total civil money penalty in the amount of **Fourteen Thousand Dollars (\$14,000.00)**. That civil money penalty is calculated as follows:

Prohibited Activity and Violation	Penalty per Violation	Number of Violations	Penalty
<i>Unlicensed Activity in Violation of CL §§ 14-1902 and 14-1903 and FI §§ 11-302 and 303</i>	\$1,000.00	2	\$ 2,000.00
<i>Violation of CL §§ 14-1904 and 14-1905 (failure to provide written information statement)</i>	\$1,000.00	2	\$2,000.00
<i>Violation of CL § 14-1906 (failure to comply with written contract requirement)</i>	\$1,000.00	2	\$2,000.00
<i>Violation of CL § 14-1908 (failure to obtain surety bond)</i>	\$1,000.00	2	\$2,000.00
<i>Violation of CL § 14-1902 (making false statements)</i>	\$1,000.00	2	\$2,000.00
<i>Violation of CL § 14-1902 (charging/ receiving payment before services performed)</i>	\$1,000.00	2	\$2,000.00
<i>Violation of MSCBA, CL § 14-1907 (breached contract with consumer by not obtaining loan modification)</i>	\$1,000.00	2	\$2,000.00
<i>Total</i>			\$14,000.00

FURTHER ORDERED that Respondents shall pay the Commissioner, by cashier's check or certified check made payable to the "Commissioner of Financial Regulation," the amount of **\$14,000.00** within fifteen (15) days from the date of this Final Order;

FURTHER ORDERED that, because Respondents are in violation of the Maryland Credit Services Business Act, any and all loan modification services agreements made by Respondents to Maryland consumers are void and unenforceable pursuant to CL § 14-1907;

FURTHER ORDERED that, pursuant to CL § 14-1912(a), as Respondents' activities constituted willful noncompliance with MSCBA, Respondents shall pay the consumers a monetary award equal to three times the amounts illegally collected from these consumers; and therefore Respondents shall pay the following monetary awards:

████████████████████	\$ 4,500.00	(3 times \$1,500.00)
████████████████████	\$15,000.00	(3 times \$ 5,000.00);

FURTHER ORDERED that Respondents shall be and hereby are jointly and severally liable for the payment of penalties and monetary awards under this Final Order;

FURTHER ORDERED that Respondents shall pay the required monetary award to the consumers identified above within 30 days of the date of this Final Order. Respondents shall make payment by mailing to each consumer a check in the amount specified above via First Class Mail, postage prepaid, at the most recent address of that consumer known to the Respondents. If mailing is returned as undeliverable, Respondents shall promptly notify the Commissioner in writing for further instruction as to the means of making said payment. Upon making the required payments, the Respondents shall furnish a copy of the front and back of the cancelled check for each payment to the Commissioner as evidence of having made payments, within sixty (60) days of the date of this Final Order;

FURTHER ORDERED that Respondents shall send all correspondence, notices, civil penalties, and other required submissions to the Commissioner at the following address:

Commissioner of Financial Regulation, 500 N. Calvert Street, Suite 402, Baltimore, MD
21202, Attention: Proceedings Administrator;

FURTHER ORDERED that, notwithstanding the imposition of the civil penalties herein, the Commissioner reserves the right to refer any and all of these violations to the State's Attorney for consideration of criminal prosecution pursuant to CL § 14-1915.

2/4/2015
Date


Keisha Whitehall Wolfe
Acting Deputy Commissioner