

IN THE MATTER OF:

CHRISTOPHER D. FRISCH,

Respondent.

BEFORE THE MARYLAND

COMMISSIONER OF

FINANCIAL REGULATION

Case No.: CFR-FY2010-234

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (“Agreement”) is entered into this 9th day of March, 2015, by and between the Maryland Commissioner of Financial Regulation (the “Commissioner”), and Christopher D. Frisch (the “Respondent”). The Commissioner and Respondent (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 Maryland Commissioner of Financial Regulation (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”). In addition, pursuant to the Annotated Code of Maryland Real Property Article (“RP”), Title 7, Subtitle 3 (Protection of Homeowners in Foreclosure Act, hereinafter “PHIFA”), the Commissioner may enforce the

provisions of PHIFA as they apply to those individuals entering into agreements with Maryland homeowners in default or in foreclosure to provide residential mortgage loan modification services pertaining to homeowner-occupied Maryland residential real property, or otherwise contracting to provide services to stave off foreclosure on Maryland residential mortgage loans in default.

2. On July 23, 2014, the Commissioner of Financial Regulation issued a Summary Order to Cease and Desist against Respondent and five other entities and individuals, alleging, in part that: (i) that Respondent and the other named individuals and entities provided unlicensed residential loan modification services in violation of the MCSBA, and FI, Title 11, Subtitles 2 and 3; and (ii) that Respondent and the other named individuals and entities violated PHIFA by collecting up-front fees prior to successfully providing those services contemplated under loan modification/foreclosure consulting agreements entered into with Maryland consumers.

3. Respondent wishes to resolve the alleged violations without the need for further administrative proceedings or other legal proceedings, and to avoid the costs associated with such proceedings and any potential appeals, and therefore agrees to resolve this matter fully, finally, and completely without further administrative proceedings commenced, or an administrative hearing or injunction, and further accepts without condition, and fully agrees to abide by, each and every term set forth in this Agreement.

4. The Commissioner desires to ensure that Respondent 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/or injunction and any potential appeals.

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

a. Respondent will pay a total civil money penalty of \$2,000.00 (TWO THOUSAND DOLLARS) in the form of a Cashier's Check or Money Order made payable to the Commissioner of Financial Regulation, to be delivered to the Agency upon execution of this Agreement.

b. On or before March 15, 2015, Respondent will remit \$895.00 in restitution to Maryland consumer [REDACTED] in the form of a Cashier's Check sent to her last known address, which is [REDACTED]. The refund shall be accompanied by a letter indicating that that the refund is being issued pursuant to a Settlement Agreement between the Respondent and the Commissioner of Financial Regulation, and that the Settlement Agreement does not in any way affect the consumer's legal rights. Respondent shall also send the Agency a copy of the letter and check sent to the consumer;

c. Respondent agrees that each and every loan modification/foreclosure consulting agreement entered into by Respondent to provided 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;

d. Respondent agrees to fully cooperate with the Commissioner in any other related investigation involving business entities or individuals not a party to this Agreement, including providing testimony at any administrative or other legal proceeding that may arise; and

e. Respondent will permanently cease providing any and all residential loan modification services or other mortgages assistance relief services to Maryland consumers.

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

7. Respondent acknowledges that he has voluntarily entered into this Agreement, with full knowledge of his 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 Respondent hereby waives his right to a hearing. Respondent further acknowledges that he has 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 Respondent has either consulted with independent legal counsel or has knowingly and voluntarily elected not to consult with counsel.

8. Respondent represents that he is 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 Respondent will continue to act in compliance at all future times.

9. The Parties hereto agree that this Agreement shall be binding and enforceable in court by the Commissioner, the Deputy Commissioner, and by Respondent, shall be admissible in court.

10. The Parties hereto acknowledge that this Agreement does not in any way relate to, impact, or otherwise affect the legal rights of, or preclude the Commissioner from bringing or continuing actions against, persons not Parties to this Agreement.

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: Gordon M. Cooley, Acting Commissioner

With copy to:

Rebecca J Coleman, Assistant Attorney General
Office of the Attorney General
Department of Labor, Licensing, and Regulation
500 North Calvert Street, Suite 406
Baltimore, Maryland 21202-3651

b. To Respondents:

Christopher D. Frisch
P.O. Box 113
Medford, New Jersey 08055

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

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

ORDERED that Respondent shall conduct his business activities in full compliance with all statutes, regulations, and other laws governing mortgage lending, brokering, origination, modification, mitigation, and foreclosure consulting in the State of Maryland, and

shall continue to act in full compliance at all future times; and it is further

ORDERED that, in the event Respondent violates any provision of this Settlement Agreement and Consent Order, or otherwise engages in the activities which formed the basis for the allegations set forth above, the Commissioner or Deputy Commissioner may, at the Commissioner or Deputy Commissioner's discretion, take any enforcement actions available under FI § 2-115(b) and RP § 7-319.1, and under CL §§ 14-1902, 14-1907, 14-1911(f), and 14-1912, 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 for each violation and up to \$5,000 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

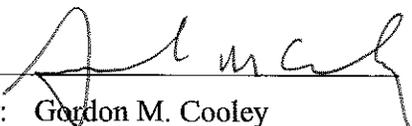
ORDERED that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation, by the authority delegated to the Deputy Commissioner under FI § 2-103, and supersedes and replaces any earlier order issued by the Deputy Commissioner or Commissioner with respect to Respondent Christopher D. Frisch; and that 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**

CHRISTOPHER D. FRISCH


By: Gordon M. Cooley
Acting Commissioner


By: Christopher D. Frisch
Individually