

BEFORE THE COMMISSIONER OF FINANCIAL REGULATION

MARYLAND COMMISSIONER OF

*

FINANCIAL REGULATION

*

CFR FILE No: CFR-FY2011-179

v.

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OAH NO: DLR-CFR-76A-12-17671

PATRICK G. DRURY, ESQ.

*

(a/k/a PAT DRURY);

WILLIAM KANE

*

(a/k/a BILL KANE);

MORTGAGE MODIFICATION

*

LAW GROUP

(d/b/a THE MORTGAGE

*

MODIFICATION LAW GROUP);

MORTGAGE MITIGATION

*

LAW GROUP, PLC

(d/b/a THE MORTGAGE

*

MITIGATION LAW GROUP, APC);

THE LAW OFFICES OF PATRICK

*

G. DRURY AND ASSOCIATES, P.C.

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RESPONDENTS

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* * * * *

OPINION AND FINAL ORDER

This matter came before the Commissioner for hearing for the reasons set forth in the Order and Notice of Hearing dated November 14, 2012. Pursuant to that Order the Respondents, Patrick G. Drury, Esq. (a/k/a Pat Drury); William Kane, a/k/a Bill Kane; Mortgage Modification Law Group, d/b/a The Mortgage Modification Law Group; Mortgage Mitigation Law Group, PLC, d/b/a The Mortgage Mitigation Law Group, APC; and the Law Offices of Patrick G. Drury and Associates, P.C., were given the opportunity to appear at a hearing held on December 19, 2012 to respond to allegations against them set forth in complaints filed with the Commissioner by [REDACTED] and [REDACTED]

██████████ and by ██████████ The Order and Notice of Hearing was mailed to the Respondents' last known addresses in accordance with COMAR 09.01.02.07.

The hearing was scheduled for 10:00 a.m. The Commissioner called the hearing to begin at 10:35 a.m., and the Respondents failed to appear. Jedd Bellman, Assistant Attorney General, appeared on behalf of the Deputy Commissioner. The proceedings were recorded by a court reporter.

EVIDENCE

The exhibits admitted at the hearing before the Administrative Law Judge on June 13, 2012 were before the Commissioner. Additional evidence admitted for the purpose of this hearing was the Order and Notice of Hearing dated November 14, 2012 and the cover letter with certified receipt evidencing that it had been mailed to the Respondents' last known addresses.

DISCUSSION

As noted in the Order and Notice of Hearing, there were several issues that needed to be addressed based on the proceedings before the Administrative Law Judge ("ALJ"). For this reason, a new hearing was set before the Commissioner to give the Respondents an opportunity to address the allegations set forth in the complaints filed by ██████████ and ██████████ and by ██████████. Based on the Respondents' failure to appear at this hearing, the Commissioner concludes that they have waived their right to respond to the allegations, and that the ALJ's Proposed Decision and Recommended Order should be adopted with certain changes.

First, the hearing notices served on the Respondents in this case attached the Summary Cease and Desist Order that covered transactions between the Respondents and

complainant [REDACTED] in a prior case. The current case involves transactions with complainants [REDACTED] and [REDACTED] but the hearing notice did not advise the Respondents of the new complaints.

Second, the Proposed Decision of the ALJ declared that the Summary Order of the prior matter was made a Final Order, when that Order did not involve the complaints of [REDACTED] and [REDACTED] and [REDACTED]

Third, the CFR case number on the Proposed Decision was incorrect; the correct number for this case, as reflected on the caption of this Order, is CFR-FY-2011-179.

The purpose of this new hearing was to give the Respondents a new opportunity to address the [REDACTED] and [REDACTED] complaints. Having been so advised, the Respondents did not appear. Therefore, the Commissioner will adopt the Proposed Decision with certain exceptions.

The Commissioner adopts the Findings of Fact with the exception of Findings of Fact 47 through 50, which refer to the Summary Order to Cease and Desist. The Commissioner adopts the Conclusions of Law with the exception of the final conclusion, which relates to the Cease and Desist Order. The Recommended Order is adopted with the exception of the third item, which relates to the Cease and Desist Order.

FINAL ORDER

The Commissioner of Financial Regulation hereby orders:

That all Findings of Fact in the Proposed Decision of the Administrative Law Judge are adopted, with the exception of Findings of Fact 47 through 50, which are not adopted; and further

That, with the exception of the specific item set forth in the Discussion section of this Final Order, the Conclusions of Law of the Administrative Law Judge are adopted; and further

That the Respondents violated Sections 14-1902(1), (5), and (6), 14-1903(b), 14-1903.1, 14-1904, 14-1905, 14-1906, 14-1907, 14-1908, 14-1909, 14-1909, and 14-1912 of the Commercial Law Article of the Annotated Code of Maryland; and further

That the Respondents violated Sections 11-302(b) and 11-303 of the Financial Institutions Article of the Annotated Code of Maryland; and further

That the Respondents pay to the Commissioner of Financial Regulation a civil penalty in the total amount of \$4,000.00, calculated as follows: the amount of \$1,000.00 each for: (1) unlicensed activity in violation of the MCSBA (CL 14-1902(1) and 1903(b)); and FI 11-302 and 303; and (2) charging up-front fees in violation of the MCSBA (CL 14-1902(6)), for the each of the cases of Complainant [REDACTED] and the Complainants [REDACTED] and further

That the Respondents pay to [REDACTED] the sum of \$11,000.00; and further

That the Respondents pay to [REDACTED] and [REDACTED] the sum of \$13,800.00; and further

That the loan modification services agreements between the Respondents and Complainant [REDACTED] and Complainants [REDACTED] be rendered void and unenforceable as contrary to the public policy of the State of Maryland under CL 14-1907; and further

That the Respondents pay the required respective monetary awards to Complainant [REDACTED] and the Complainants [REDACTED] and [REDACTED] within thirty days of the date of this Order; and further

That the Respondents furnish evidence of having made the payments to the Complainants to the Commissioner within sixty days of the date of this Order, which evidence shall consist of a copy of the front and back of the cancelled check for each payment; and further

That the Respondents shall send all correspondence, notices, civil penalties, and other required submissions to the Commissioner at the following address: Commissioner of Financial Regulation, 500 North Calvert Street, Suite 402, Baltimore, Maryland 21202, Attn: Proceedings Administrator; and further

That the records and publications of the Office of the Commissioner of Financial Regulation reflect this decision.

2/28/13
Date



Mark A. Kaufman
Commissioner

MARYLAND COMMISSIONER OF
FINANCIAL REGULATION

v.

PATRICK G. DRURY, ESQUIRE, a/k/a
PAT DRURY, et al.,

RESPONDENTS

* BEFORE MICHAEL W. BURNS,
* AN ADMINISTRATIVE LAW JUDGE
* OF THE MARYLAND OFFICE OF
* ADMINISTRATIVE HEARINGS
* OAH CASE No: DLR-CFR-76A-12-17671
* CFR FILE No: CFR-FY2011-149

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PROPOSED DECISION

STATEMENT OF THE CASE
ISSUES
SUMMARY OF THE EVIDENCE
FINDINGS OF FACT
DISCUSSION
CONCLUSIONS OF LAW
RECOMMENDED ORDER

STATEMENT OF THE CASE

On May 26, 2011, the Maryland Deputy Commissioner (Deputy Commissioner) of Financial Regulation, acting for the Commissioner of Financial Regulation (CFR), Department of Labor, Licensing and Regulation (DLLR), issued a Summary Order to Cease and Desist (Summary Order) and notification of other possible sanctions to various individuals and entities. Included in this Summary Order were: Patrick G. Drury, Esquire, a/k/a Pat Drury (Patrick Drury); William Kane, a/k/a Bill Kane (William Kane); Mortgage Modification Law Group d/b/a The Mortgage Modification Law Group (Mortgage Modification Law Group); Mortgage Mitigation Law Group, PLC, d/b/a The Mortgage Mitigation Law Group, APC (Mortgage Mitigation Law Group); and, The Law Offices of Patrick G. Drury and Associates, P.C. (Law

Offices of Patrick Drury)¹; (collectively the Respondents herein) alleging that they engaged in credit services business activities in violation of certain provisions of the Maryland Annotated Code, including the Commercial Law Article (CL), Title 14, Subtitle 19 (the Maryland Credit Services Business Act (MCSBA), and the Financial Institutions Article (FI), Title 11, Subtitles 2 and 3, and finding that action against the Respondents was warranted under FI §§ 2-114 and 2-115.²

The Summary Order stated that it would be entered as a Final Order if the Respondents did not request a hearing within 15 days of receipt of the Summary Order. No hearing was requested by the Respondents. No Final Order was, however, issued.

On April 16, 2012, the CFR referred the matter to the Office of Administrative Hearings (OAH) for a hearing and delegated to the OAH the authority to issue proposed findings of fact and conclusions of law, and a recommended order.

I held a hearing on June 13, 2012 at the OAH in Hunt Valley, Maryland. Md. Code Ann., Fin. Inst. (FI) § 11-608 (2011). Jedd Bellman, Assistant Attorney General, Office of the Attorney General, represented the CFR. None of the Respondents, nor anyone authorized to represent any of the Respondents, appeared at the hearing.³

Procedure in this case is governed by the Administrative Procedure Act, Md. Code Ann., State Gov't. §§ 10-201 through 10-226 (2009 & Supp. 2011), Md. Code Ann., Com. Law § 14-1911, OAH's Rules of Procedure, Code of Maryland Regulations (COMAR) 28.02.01, and COMAR 09.01.03.

¹ The Mortgage Mitigation Law Group, Mortgage Modification Law Group, and the Law Offices of Patrick Drury are all the same companies for purposes of offering services. The names were modified for purposes of making the companies appear to be different from one another. These various companies are interrelated and interchangeable. Respondents Patrick Drury and William Kane controlled all of these entities, as well as other entities.

² The CFR listed other parties in the Summary Order which it did not seek to include in this action.

³ Notice to the Respondents, and their failure to appear, is discussed below.

ISSUES

1. Did the Respondents engage in credit service business activities that subject them to the provisions of the MCSBA?
2. If so, did the Respondents engage in credit services business activities with Maryland consumers without first obtaining a license from the CFR in violation of Md. Code Ann., Com. Law § §14-1902 (1) and 1903(b) and Md. Code Ann., Fin. Inst. §§ 11-302(b) and 11-303?⁴
3. If the Respondents engaged in credit services business activities with Maryland consumers without first obtaining a license, are the Respondents exempt from complying with the licensing requirements of CL § 14-1903(b) and FI § 11-302(b)?
4. If the Respondents are neither licensed nor exempt from licensure, did they, while engaged in credit services business activities, receive money or other valuable consideration in violation of CL § 14-1902(1)?
5. If the Respondents are neither licensed nor exempt from licensure, did they, while engaged in credit services business activities, collect up-front fees prior to fully and completely performing all services in violation of CL § 14-1902(6)?
6. Did the Respondents fail to provide Maryland consumers with the required information statements in connection with the sale of services of a credit services business in violation of CL §§ 14-1904(a) and 14-1905?
7. Did the Respondents fail to include required contractual terms in their agreements with Maryland consumers in violation of CL § 14-1906?
8. Did the Respondents make or use false and/or misleading representations in their sale of services to Maryland consumers in violation of CL § 14-1902(4)?

⁴ The Commercial Law Article will be referred to as CL and the Financial Institution Article will be referred to as FI hereafter.

9. Did the Respondents fail to obtain requisite surety bonds in violation of CL §§ 14-1908 and 14-1909?
10. Did the Respondents fail to clearly and conspicuously state their license number or their exemption under the MCSBA, in violation of CL § 14-1903.1?
11. Did the Respondents fail to obtain beneficial loan modifications or other forms of forbearance agreements for Maryland consumers which the Respondents had agreed to provide?
12. Did the Respondents willfully fail to comply with the MCBSA under CL § 14-1912(a)?
13. If the Respondents violated any of the sections cited above, what is/are the appropriate sanction(s)?

SUMMARY OF THE EVIDENCE

Exhibits

I admitted the following exhibits on behalf of the CFR:

- CFR #1 May 1, 2012 Notice of Hearing
- CFR #2 April 16, 2012 Letter of Delegation to the Honorable Jana Corn Burch, Executive Administrative Law Judge, from Anne Balcer Norton, Deputy Commissioner
- CFR #3 Letters, with attachments, from Zenaida Velez-Dorsey to Law Offices of Patrick Drury, dated November 17, 2011; to William Kane, dated November 18, 2011; to Mortgage Modification Law Group, dated November 18, 2011; and to Patrick G. Drury, dated March 15, 2012
- CRF #3A Business entity information for the Law Offices of Patrick G. Drury
- CFR #3B Business entity information for Mortgage Modification Law Center
- CFR #3C Business entity information for Mortgage Modification Law Group, Inc.
- CFR #3D Business entity information for Mortgage Modification Lawyers, Inc.
- CFR #3E Business entity information for Mortgage Mitigation Law Group, PLC

- CFR #3F Attorney information for Patrick G. Drury, Esquire
- CFR #4 Summary Order to Cease and Desist, dated May 26, 2011
- CFR #5 Investigative Report, dated April 9, 2012
- CFR #6 Complaint of [REDACTED] with attachments, dated June 20, 2011
- CFR #7 Complaint of [REDACTED] and [REDACTED], undated
- CFR #8 Internet Article
- CFR #9 Final Order to Cease and Desist, In the Matter of Roxana E. Salgado, Case No.: CFR-FY2011-209, dated April 12, 2012

No exhibits were offered on behalf of the Respondents, none of whom were present at the hearing.

Testimony

[REDACTED] (Complainant [REDACTED]), [REDACTED] (Complainant [REDACTED])⁵ and Zenaida Velez-Dorsey, Investigator with the Office of Commercial Financial Regulation, testified on behalf of the CFR. No testimony was presented on behalf of any of the Respondents..

FINDINGS OF FACT

I find the following facts by a preponderance of the evidence:

1. Respondent Mortgage Mitigation Law Group is an inactive Florida limited liability corporation with principal offices located in St. Petersburg, Florida.
2. Respondent Mortgage Mitigation Law Group, although not a registered business entity in the State of Maryland, engages in business activities with Maryland consumers involving Maryland residential real property.

⁵ Simona Dodson's husband, Howard David Dodson (Complainant H. Dodson), is a Complainant along with his wife. Collectively, they will be cited as the "Dodsons" or the "Complainants Dodson" herein.

3. Respondent Mortgage Modification Law Group is an Illinois corporation, not currently in good standing with the State of Illinois, with principal offices located in Glen Ellyn, Illinois.
4. Respondent Mortgage Modification Law Group, although not a registered business entity in the State of Maryland, engages in business activities with Maryland consumers involving Maryland residential real property.
5. Respondent Law Offices of Patrick Drury is an Illinois corporation, not currently in good standing with the State of Illinois, with principal offices located in Glen Ellyn, Illinois.
6. Respondent Law Offices of Patrick Drury, although not a registered business entity in the State of Maryland, engages in business activities with Maryland consumers involving Maryland residential real property.
7. Respondents Patrick Drury and William Kane (individual Respondents), engage in business activities, including loan modification activities, involving Maryland consumers.
8. Respondents Patrick Drury and William Kane are the owners, directors, officers, managers, employees and/or agents of Mortgage Modification Law Group, Mortgage Mitigation Law Group, and the Law Offices of Patrick Drury (entity Respondents).
9. At all times relevant, the entity Respondents were principals in several entities (corporations and limited liability companies) engaged in credit services activities in Maryland.
10. These entity Respondents are interchangeable and operated under an array of similar-sounding names and trade names.
11. Each and every Respondent is subject to the requirements of the MCSBA.
12. Mortgage loan modification is the process through which a lender modifies the terms of an existing loan in order to make payments more affordable for the borrower. A

modification can include: refinancing the loan, lowering or changing an interest rate, reducing the mortgage principal balance, increasing the length of the repayment period, forbearance, and forgiving payment defaults and fees.

13. In 2010, [REDACTED] a Maryland consumer, was having difficulty with his finances.

14. Complainant [REDACTED] has been diagnosed with prostate cancer and is diabetic.

15. In May, 2010, Complainant [REDACTED] contacted various Respondents, including Patrick Drury and the Patrick Drury Law Group, regarding his interest in working out a loan modification with his home mortgage company, Central Mortgage.

16. Complainant [REDACTED] contracted with the Respondents to represent him to provide residential mortgage loan modification services for him and to obtain a loan modification for him.

17. Complainant [REDACTED] spoke with various Respondents and was instructed not to make any further mortgage payments to Central Mortgage and to send all "paperwork" received to the Patrick Drury Law Group.

18. Complainant [REDACTED] was told by Vickie Buck of the Patrick Drury Law Group that it could obtain a loan modification with a lower interest rate for Complainant [REDACTED].

19. Complainant [REDACTED] was told it would take six months for the loan modification to be achieved.

20. Complainant [REDACTED] was not in default on his mortgage with Central Mortgage when he initiated contact with the Respondents.

21. Complainant [REDACTED] paid the Respondents two payments of \$1,375.00 each, for a total of \$2,750.00, before any work was done on his request by the Respondents.

22. Complainant [REDACTED] filled out a number of documents and forwarded them, along with other documents to the Respondents regarding obtaining a loan modification.

23. Pursuant to Respondents' instructions, Complainant [REDACTED] stopped making his mortgage payments to Central Mortgage.
24. Eventually, Complainant [REDACTED] was unable to contact any of the Respondents despite repeated attempts to do so.
25. Complainant [REDACTED] was eventually contacted by Central Mortgage and was informed that it had no knowledge of any loan modification request on his behalf.
26. The Respondents did not obtain a loan modification for Complainant [REDACTED] or attempt to obtain a loan modification on his behalf.
27. The Respondents never performed any actual services of any kind on behalf of the Complainant [REDACTED], including services aimed at obtaining a loan modification.
28. As a result of following the Respondents' instructions not to make payments on his home mortgage, Complainant [REDACTED] ended up in default and in foreclosure.
29. Complainant [REDACTED] eventually worked out a modification of his loan.
30. Complainant [REDACTED] requested a refund from the Respondents but has never received the requested refund.
31. In June, 2011, Complainant [REDACTED] filed a complaint with the CFR regarding the Respondents.
32. In 2010, [REDACTED] and her husband [REDACTED] were having difficulties paying their monthly mortgage payments.
33. In June, 2010, Complainant [REDACTED] contracted with the Respondents to represent her and her husband, Complainant [REDACTED] to provide residential mortgage loan modification services to them and to obtain a loan modification for the Complainants. This agreement was in writing.

34. Pursuant to their agreement, the [REDACTED] paid \$1,725.00 to the Respondents in two payments, for a total of \$3,450.00, to retain the Respondent to assist them in obtaining the loan modification for their home.
35. Complainant [REDACTED] sent the Respondents information and documents pursuant to the loan modification process.
36. Complainant [REDACTED] was told by the Respondents to stop making monthly mortgage payments to her mortgage company, Chase Bank. [REDACTED] continued to make the monthly mortgage payments despite this instruction by the Respondents.
37. Complainant [REDACTED] was told by the Respondents that the loan modification process was proceeding and that all documents required for a loan modification had been submitted to Chase Bank by the Respondents.
38. Documents required by Chase Bank for purposes of considering the [REDACTED] for a loan modification were not sent by the Respondents to Chase Bank.
39. Chase Bank closed the [REDACTED] application for a loan modification because the Respondents did not submit all required documents to Chase Bank.
40. Complainant [REDACTED] spoke to Respondent Patrick Drury by telephone and Drury told her that the action by Chase Bank closing the loan modification application was a mistake and that she should not worry about the closure of her application.
41. The Respondents never obtained a loan modification for the [REDACTED]
42. Complainant [REDACTED] requested a refund from Respondents but the [REDACTED] never received any refund.
43. Eventually, Complainant [REDACTED] was unable to contact any of the Respondents despite repeated attempts to do so.

44. [REDACTED] eventually obtained a loan modification but that modification had nothing to do with the services provided by the Respondents.
45. The Respondents performed incompetent, incomplete and ineffective services on behalf of the [REDACTED]
46. In December 2010, Complainant [REDACTED] filed a complaint with the CFR against the Respondents on behalf of herself and Complainant [REDACTED]
47. On May 26, 2011, the Deputy Commissioner issued a Summary Order to Cease and Desist against the Respondents. The Summary Order notified the Respondents that they were entitled to a hearing before the CFR to determine whether the Summary Order should be vacated, modified, or entered as a final order of the Commissioner, and that the Summary Order would be entered as a final order if the Respondent did not request a hearing within 15 days of the receipt of the Summary Order.
48. The Summary Order was properly mailed to the Respondents via First Class U.S. Mail and Certified U.S. Mail.
49. The Respondents failed to request a hearing on the Summary Order.
50. The CFR has not issued a Final Cease and Desist Order against the Respondents.
51. As a result of the above-described complaints, the CFR conducted an investigation into the credit services business activities of the Respondents.
52. In November, 2011 and March, 2012, Zenaida Velez-Dorsey, one of the CFR's investigators, sent letters to the Respondents about the complaints; the Respondents did not respond. These letters were addressed to various Respondents at various addresses. The letters were sent by way of the United States Postal Service by both first-class and certified mail.

53. Except for the letter sent to William Kane, which was signed for by another person, the certified mail sent by Ms. Velez-Dorsey to the Respondents was returned by the USPS to the CFR for various reasons.
54. The first class mail sent by Ms. Velez-Dorsey to the Respondents was not returned by the USPS to the CFR.
55. The Respondents are not, and have never been, licensed by the CRF for any purpose, including providing loan modification services.
56. The Respondents did not obtain a loan modification for either Complainant.
57. The Respondents performed no loan modification services for Complainant [REDACTED]
58. The Respondents performed incompetent, incomplete and ineffective loan modification services for Complainants [REDACTED] and [REDACTED]
59. The Respondents have refused to refund any funds to either of the Complainants in spite of requests that they do so.

DISCUSSION

A. The Respondents' Failure to Appear

On May 26, 2011, the Deputy Commissioner issued a Summary Order to Cease and Desist to a number of entities and individuals (including the Respondents). The Respondents consist of several inter-related corporations and LLCs, as well as two individuals. As noted above, none of the Respondents, or anyone representing them, appeared at the hearing.

Mr. Bellman noted that notices of the hearing were sent to the last known addresses of the Respondents and that such notices sufficed. COMAR 09.01.02.07. I conclude that the Respondents failed to appear for the hearing despite adequate notice. The record reflects the persistent, ongoing efforts of the CFR to find all possible addresses for the Respondents and to utilize those addresses to contact the Respondents. The OAH issued the Notice of Hearing

(Notice) on May 1, 2012, and mailed it, by certified and regular mail, to the Respondents at a number of different addresses –multiple addresses for certain Respondents – including the most current addresses available for the Respondents. The certified notices sent by the OAH were returned to the OAH by the United States Postal Service (USPS) with notations including: “attempted not known”; “return to sender – unable to forward”; “return to sender – vacant”; “vacant”; and, “unclaimed”. The regular mail notices were not returned by the USPS to the OAH for any of the Respondents. Additionally, no request to the OAH for a postponement of the hearing was made by, or on behalf of, any of the Respondents.

These Respondents are interconnected and interrelated. Respondents Patrick Drury and William Kane controlled all of these entities. The Notice was sent to the Respondents at a number of addresses, in some cases to multiple addresses, including the last known addresses available.

I conclude from these facts that the Respondents had constructive notice of the hearing and that it was appropriate to proceed in the absence of the Respondents. COMAR 09.01.02.07 and 09.01.02.09.

B. Applicable Law

I. Legal Framework

Burdens of Production and Persuasion

The CFR has the burdens of production and persuasion, by a preponderance of the evidence, to demonstrate that the Respondents violated the statutory sections at issue. *See* Md. Code Ann., State Gov’t § 10-217 (2009); *Comm’r of Labor & Industry v. Bethlehem Steel*, 344 Md. 17, 34 (1996). The Respondents have the burden of production and persuasion to the extent that they claim an exemption from or exception to the licensing scheme. CL § 14-1907(d).

II. Applicable Statutory Provisions

The CFR, pursuant to its Summary Order, alleges that the Respondents violated a number of statutes, including statutory provisions which are in the MCSBA.⁶

CL § 14-1902 provides, in relevant part:

A credit services business, its employees, and independent contractors who sell or attempt to sell the services of a credit services business shall not:

(1) Receive any money or other valuable consideration from the consumer, unless the credit services business has secured from the Commissioner a license under Title 11, Subtitle 3 of the Financial Institutions Article;

...

(4) Make or use any false or misleading representations in the offer or sale of the services of a credit services business;

...

(6) Charge or receive any money or other valuable consideration prior to full and complete performance of the services that the credit services business has agreed to perform for or on behalf of the consumer[.]

CL § 14-1902 (Supp. 2011).

CL § 14-1903 provides, in relevant part:

(b) *Licenses – Required.* – A credit services business is required to be licensed under this subtitle and is subject to the licensing, investigatory, enforcement, and penalty provisions of this subtitle and Title 11, Subtitle 3 of the Financial Institutions Article.

(c) *Same – Issuance.* – A license required by this subtitle shall be issued by the Commissioner.

CL § 14-1903(b), (c) (2005).

CL 14-1903.1 provides as follows:

A person who advertises a service described in § 14-1901(e)(1) of this subtitle, whether or not a credit services business, shall clearly and conspicuously state in each advertisement the number of:

(1) The license issued under § 14-1903 of this subtitle; or

(2) If not required to be licensed, the exemption provided by the Commissioner.

CL § 14-1903.1 (2005).

⁶ CL §§ 14-1901 through 14-1916 (2005 & Supp. 2011).

CL § 14-1904 provides in relevant part as follows:

(a) *Duty to provide.* – Before either the execution of a contract or agreement between a consumer and a credit services business or the receipt by the credit services business of any money or other valuable consideration, the credit services business shall provide the consumer with a written information statement containing all of the information required under § 14-1905 of this subtitle.

CL § 14-1904(a) (2005).

CL 14-1905 provides, in relevant part:

(a) In general. -- The information statement required under § 14-1904 of this subtitle shall include:

(1) An accurate statement of the consumer's right to review any file on the consumer maintained by any consumer reporting agency, and the right of the consumer to receive a copy of a consumer report containing all information in that file as provided under the federal Fair Credit Reporting Act (15 U.S.C. § 1681g) and under § 14-1206 of this title;

(2) A statement that a copy of the consumer report containing all information in the consumer's file will be furnished free of charge by the consumer reporting agency if requested by the consumer within 30 days of receiving a notice of a denial of credit as provided under the federal Fair Credit Reporting Act (15 U.S.C. § 1681j) and under § 14-1209 of this title;

(3) A statement that a nominal charge not to exceed \$ 5 may be imposed on the consumer by the consumer reporting agency for a copy of the consumer report containing all the information in the consumer's file, if the consumer has not been denied credit within 30 days from receipt of the consumer's request;

(4) A complete and accurate statement of the consumer's right to dispute the completeness or accuracy of any item on the consumer contained in any file that is maintained by any consumer reporting agency, as provided under the federal Fair Credit Reporting Act (15 U.S.C. § 1681i) and under § 14-1208 of this title;

(5) A complete and detailed description of the services to be performed by the credit services business for or on behalf of the consumer, and the total amount the consumer will have to pay for the services; and

(6) A statement that accurately reported information may not be permanently removed from the file of a consumer reporting agency.

(b) Additional requirements of licenses. -- A credit services business required to obtain a license pursuant to § 14-1902 of this subtitle shall include in the information statement required under § 14-1904 of this subtitle:

- (1) A statement of the consumer's right to file a complaint pursuant to § 14-1911 of this subtitle;
- (2) The address of the Commissioner where such complaints should be filed; and
- (3) A statement that a bond exists and the consumer's right to proceed against the bond under the circumstances and in the manner set forth in § 14-1910 of this subtitle.

CL § 14-1905 (2005).

With respect to any contract between a consumer and a credit business service provider, CL § 14-1906 provides as follows:

(a) *Requirements.* – Every contract between a consumer and a credit services business for the purchase of the services of the credit services business shall be in writing, dated, signed by the consumer, and shall include:

(1) A conspicuous statement in size equal to at least 10-point bold type, in immediate proximity to the space reserved for the signature of the consumer as follows:

“You, the buyer, may cancel this contract at any time prior to midnight of the third business day after the date of the transaction. See the attached notice of cancellation form for an explanation of this right.”;

(2) The terms and conditions of payment, including the total of all payments to be made by the consumer, whether to the credit services business or to some other person;

(3) A complete and detailed description of the services to be performed and the results to be achieved by the credit services business for or on behalf of the consumer, including all guarantees and all promises of full or partial refunds and a list of the adverse information appearing on the consumer’s credit report that the credit services business expects to have modified and the estimated date by which each modification will occur; and

(4) The principal business address of the credit services business and the name and address of its agent in this State authorized to receive service of process.

(b) *Notice of cancellation form.* - The contract shall be accompanied by a form completed in duplicate, captioned “NOTICE OF CANCELLATION”, which shall be attached to the contract and easily detachable, and which shall contain in at least 10-point bold type the following statement:

“NOTICE OF CANCELLATION

You may cancel this contract, without any penalty or obligation, at any time prior to midnight of the third business

day after the date the contract is signed.

If you cancel, any payment made by you under this contract will be returned within 10 days following receipt by the seller of your cancellation notice.

To cancel this contract, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, to
(Name of seller)

At
(Address of seller)

(Place of business)
Not later than midnight _____
(Date)

I hereby cancel this transaction.

(Date) (Buyer's signature)"

(c) *Copies of completed contract and other documentation to be given to consumer.* - A copy of the completed contract and all other documents the credit services business requires the consumer to sign shall be given by the credit services business to the consumer at the time they are signed.

CL § 14-1906 (2005).

CL 14-1907 provides:

(a) *Breach of contract.* - Any breach by a credit services business of a contract under this subtitle, or of any obligation arising under it, shall constitute a violation of this subtitle.

(b) *Void contracts.* - Any contract for services from a credit services business that does not comply with the applicable provisions of this subtitle shall be void and unenforceable as contrary to the public policy of this State.

(c) *Waivers.* - (1) Any waiver by a consumer of any of the provisions of this subtitle shall be deemed void and unenforceable by a credit services business as contrary to the public policy of this State; and

(2) Any attempt by a credit services business to have a consumer waive rights given by this subtitle shall constitute a violation of this subtitle.

(d) *Burden of proof.* - In any proceeding involving this subtitle, the burden of proving an exemption or an exception from a definition is upon the person claiming it.

CL § 14-1907 (2005).

CL 14-1908 states that a credit services business is required to obtain a surety bond pursuant to Title 11, Subtitle 3 of the Financial Institutions Article. CL 14-1909 states that the

surety bond shall be issued by a surety company authorized to do business in the State of Maryland.

CL 14-1911 provides, in relevant part:

(f) *Cease and desist order.* - (1) If, after the hearing, the Commissioner finds that the credit services business, or the salesperson, agent, representative, or independent contractor acting on behalf of the credit services business, has engaged or is engaging in any act or practice prohibited by this subtitle, the Commissioner shall order the credit services business or the person or both to cease and desist from the act or practice and may order that restitution be paid to an aggrieved consumer.

CL§ 14-1911.

CL 14-1912 provides, in relevant part:

(a) *Willful noncompliance.* -- Any credit services business which willfully fails to comply with any requirement imposed under this subtitle with respect to any consumer is liable to that consumer in an amount equal to the sum of:

- (1) Any actual damages sustained by the consumer as a result of the failure;
- (2) A monetary award equal to 3 times the total amount collected from the consumer, as ordered by the Commissioner[.]

CL § 14-1912 (Supp. 2011).

FI 11-302 provides, in relevant part:

(b) *License required.* -- Unless the person is licensed by the Commissioner, a person may not:

...

(3) Engage in the business of a credit services business as defined under Title 14, Subtitle 19 of the Commercial Law Article.

FI § 3-302(b) (2011).

FI § 11-303 requires that “[a] license under this subtitle shall be applied for and issued in accordance with, and is subject to, the licensing and investigatory provisions of Subtitle 2 of this title, the Maryland Consumer Loan Law – Licensing Provisions.” FI § 11-303 (2011).

Mr. Bellman asserted on behalf of the CFR that, consistent with the findings of the CFR as set out in the Summary Order and the evidence, the Respondents are subject to the MCSBA

and are not licensed to engage in credit services business activities nor are they exempt from the licensing requirement. Mr. Bellman argued that the Respondents nonetheless engaged in credit services business activities with regard to the Complainants, who are Maryland consumers. He also noted a number of other relevant violations of Maryland statutes. As supporting evidence, Mr. Bellman first presented the testimony of [REDACTED] one of the Complainants, who testified that he contracted with the Respondents to provide loan modification services in June 2010, and paid the Respondents \$2,750.00 up-front before services were rendered to obtain a loan modification for him. [REDACTED] was told by the Respondents to stop making payments on his mortgage to the mortgage company. He did so even though he was then current on his mortgage. He was told it would take six months to obtain a loan modification. [REDACTED] noted that the Respondents did not obtain a loan modification for him. He said he eventually "could not get hold of anybody" connected to the Respondents and they "seemed to evaporate into the air." He eventually worked out a loan modification himself. He said his credit is now "messed up" as a result of his following the Respondents' instructions not to pay his mortgage and that his efforts to work with the Respondents were "all for nothing." I found [REDACTED] to be very earnest and a credible witness and I accept his testimony as truthful and accurate.

Ms. [REDACTED] also testified. She said that she had contacted the Law Office of Patrick Drury in June of 2010 to obtain a loan modification from Chase Bank. She and her husband [REDACTED] were experiencing difficulties making their monthly mortgage payments. She was promised that the Respondents could obtain a loan modification for her and her husband resulting in a \$500 per month reduction in her mortgage payment. She paid the Respondents a total of \$3,450.00 in two monthly payments, the first payment before any services were performed by the Respondents. She and her husband signed a written contract with the Mortgage Mitigation Law Group to perform loan modification services for them. [REDACTED]

noted that she was told not to make her monthly mortgage payments, but that she did not follow that advice. She gave the Respondents all requested information and documentation to obtain a loan modification. [REDACTED] sent the Respondents all documents received from Chase Bank as well per the instructions of the Respondents.

Eventually, Chase Bank notified [REDACTED] that her modification application had been closed because of the failure to supply all requested documents. [REDACTED] then spoke to Patrick Drury, who told her that all documents required by Chase Bank had been submitted by the Respondents and that the closure was a mistake and she should not worry about the error. No progress was made on the loan modification, however, and [REDACTED] was eventually unable to contact the Respondents. Her requests for a refund were unanswered as well. [REDACTED] later obtained a loan modification on her own, noting the Respondents had no impact on, or involvement in, that modification. The loan modification she obtained “had nothing to do with the services the company provided.” [REDACTED] said that the Respondents did not provide the services they had represented they would provide. [REDACTED] was a clear witness whose testimony was to the point and credible.

Zenaida Velez-Dorsey, an investigator with the Maryland Office of the Commissioner of Financial Regulation, also testified at the hearing. Ms. Velez-Dorsey stated that she had investigated the Respondents pursuant to an assignment regarding the allegations made against the Respondents by the Complainants, among others. She noted that all the companies listed as Respondents were the same for purposes of the services provided and that the different names were simply modified “to make them look different.” She said Respondents Patrick Drury and William Kane controlled all of the companies. She testified that the Respondents are not, and have never been, licensed to provide commercial or loan modification services in Maryland and illegally collected up-front fees from the Complainants. Ms. Velez-Dorsey described the

Respondents operation as a “deceptive and fraudulent business.” She forcefully stated that it is “unacceptable to tell consumers to stop making payments” and that no one can guarantee to obtain a loan modification. She also pointed out that these Respondents had been investigated for other similar violations and activities and that the Respondents’ actions in this case were “very much the same pattern” as found in the other investigation.

Ms. Velez-Dorsey testified that in [REDACTED] case the Respondents failed to provide any loan modification services. In the [REDACTED] case the Respondents failed to provide all the documents required by the loan servicer for a loan modification review even though [REDACTED] supplied all of the required documents to them. It was her view that the Respondents did not have the capacity to do the work promised for consumers or simply chose not to do the work. I found Ms. Velez-Dorsey to be a clear, competent, factual and very credible witness.

Based on the Complainants’ and Ms. Velez-Dorsey’s testimony, as well as the other evidence presented, Mr. Bellman argued that the Respondents were in violation of a number of provisions of Maryland Law and should be sanctioned. Based on the evidence, I find Mr. Bellman is absolutely correct.

First, I find that the Respondents are subject to the MCSBA and its licensing requirement. The MCSBA defines “credit services business” at section 14-1901(e) of the Commercial Law Article, which provides in part:

- (1) “Credit services business” means any person who, with respect to the extension of credit by others, sells, provides, or performs, or represents that such person can or will sell, provide, or perform, any of the following services in return for the payment of money or other valuable consideration:
 - (i) Improving a consumer’s credit record, history, or rating or establishing a new credit file or record;
 - (ii) Obtaining an extension of credit for a consumer; or
 - (iii) Providing advice or assistance to a consumer with regard to either subparagraph (i) or (ii) of this paragraph.

Providing loan modification services would include obtaining extensions of credit for consumers, providing advice or assistance, and may involve improving a consumer's credit record, history, or rating. Accordingly, the Respondents have engaged in credit services business activities with regard to both of the Complainants. The Respondents are thus subject to the MCSBA and its licensing requirement under section 14-1902(1) of the Commercial Law Article. (See also CL § 14-1903(b) and FI §§ 11-302(b) and 11-303).

Second, the Respondents clearly engaged in credit services business activities with Maryland consumers (the Complainants specifically) without first obtaining a license from the CFR in violation of CL §§ 14-1902 (1) and 14-1903(b) and FI. §§ 11-302(b) and 11-303.

Third, there is no evidence that the Respondents are or were exempt from complying with the licensing requirements of CL § 14-1903(b) and FI § 11-302(b). The Respondents are neither licensed nor exempt from licensure.

Fourth, the Respondents, while engaged in credit services business activities, received money in violation of CL § 14-1902(1). While engaged in credit services business activities the Respondents also collected up-front fees prior to fully and completely performing all services in violation of CL § 14-1902(6).

Fifth, the evidence establishes that the Respondents committed a number of violations of the MCBSA, in that they: failed to provide Maryland consumers – both of the Complainants - with the required information statements in connection with the sale of services of a credit services business in violation of CL §§ 14-1904(a) and 14-1905; failed to provide required contractual terms in their agreements with Maryland consumers in violation of CL § 14-1906; failed to clearly and conspicuously state their license number under the MCSBA or their exception, in violation of CL § 14-1903.1; failed to obtain requisite surety bonds in violation of CL §§ 14-1908 and 14-1909; and made false and misleading statements to Complainants [REDACTED]

and [REDACTED] in violation of CL § 14-1902(4).

Sixth, the Respondents took the Complainants' money, performed no services for Mr. [REDACTED] and incompetent, incomplete and useless services for Ms. [REDACTED] and failed to return any of the Complainants' funds when requested to do so. Eventually, the Respondents simply disappeared.

In point of fact, there is overwhelming evidence that the Respondents willfully failed to comply with numerous requirements of Maryland law, including the MCBSA as noted and, additionally, specifically CL § 14-1912(a). They took the Complainants' money and provided nothing in return except empty promises. The Respondents' instructions to the Complainants not to pay their mortgages were grossly irresponsible and inexcusable. For [REDACTED] following this advice proved damaging to his credit rating and resulted in a default on his mortgage.

In summary, the Respondents are not licensed to provide the services associated with loan modifications. The Complainants [REDACTED] and [REDACTED] credibly testified that they paid the Respondents for loan modification services, but that the Respondents failed to provide any services for that money to [REDACTED] and incompetent, incomplete and ineffective services to [REDACTED]. The Respondents took the Complainants' money and did nothing on their behalf, failing to make genuine, competent efforts to obtain loan modifications for the Complainants. The Respondent's unlicensed activity violated the MCSBA. Charging up-front fees was a violation of the MCSBA. As illustrated, the Respondents willfully failed to comply with the requirements of the MCBSA. The Respondents also refused to refund the money they took from the Complainants when requested to do so. Eventually, they simply vanished, leaving these Complainants damaged and desperate. The Respondents are the worst type of scam-artists.

The appropriate sanctions in this matter

Some of the Commissioner's expansive powers are delineated in FI § 2-115:

...

(b) *Other authorized actions for violations.* – When the Commissioner determines after notice and a hearing, unless the right to notice and a hearing is waived, that a person has engaged in an act or practice constituting a violation of a law, regulation, rule or order over which the Commissioner has jurisdiction, the Commissioner may in the Commissioner’s discretion and in addition to taking any other action authorized by law:

- (1) Issue a final cease and desist order against the person;
- (2) Suspend or revoke the license of the person;
- (3) Issue a penalty order against the person imposing a civil penalty up to the maximum amount of \$1,000 for a first violation and a maximum amount of \$5,000 for each subsequent violation; or
- (4) Take any combination of the actions specified in this subsection.

(c) *Financial penalty.* — In determining the amount of financial penalty to be imposed under subsection (b) of this section, the Commissioner shall consider the following factors:

- (1) The seriousness of the violation;
- (2) The good faith of the violator;
- (3) The violator’s history of previous violations;
- (4) The deleterious effect of the violation on the public and the industry involved;
- (5) The assets of the violator; and
- (6) Any other factors relevant to the determination of the financial penalty.

FI § 2-115 (2011).

Pursuant to FI § 2-115, the CFR seeks penalties against the Respondents in the amount of \$1,000.00 each for: 1) unlicensed activity in violation of the MCSBA (CL §§ 14-1902(1) and 1903 (b); FI §§ 11-302 and 303) and 2) charging up-front fees in violation of the MCSBA (CL § 14-1902(6)) for the violations involving Complainant [REDACTED] and Complainants [REDACTED] equaling \$2,000.00 for each Complainant’s case, for a combined total of \$4,000.00 in penalties. Each of these alleged violations has been conclusively proven by the CFR and, as will be explained, the requested penalties are entirely appropriate.

As noted above, there are six factors to be considered in determining the appropriate amount of a civil monetary penalty. The first factor is the seriousness of the violation. The Respondents committed numerous violations involving the Complainants, including: unlicensed

activity in violation of the MCSBA; charging up-front fees illegally; failing to provide required contract terms; willfully failing to comply with a number of requirements of the MCSBA; taking the Complainants' money without performing any services on behalf of [REDACTED] and incompetent, ineffective and incomplete services on behalf the [REDACTED] giving the Complainants misleading, incorrect or incompetent information; failing to respond to the Complainants; and, failing to refund the Complainants funds' when requested to do so. Such actions were intentional, outrageous and intolerable. Their seriousness impact on the Complainants and on the Maryland commercial community at large is proven, clear and unacceptable.

The second factor for consideration is the good faith of the violator(s). The evidence made clear the Respondents acted without good faith of any kind – they took the Complainants' money and provided them with nothing of value. The Respondents also refused to refund the money after providing no, or incompetent and incomplete, services to the Complainants. Finally, they simply disappeared.

The third factor for consideration is any history of previous violations. According to Ms. Velez-Dorsey's Investigation Report, this is the second (and third?) complaint received by the Commissioner concerning the Respondents and a Cease and Desist Order has been previously issued against the Respondents in that matter. As Ms. Velez-Dorsey testified, the pattern of behavior of the Respondents' was the same in both cases.

The fourth factor for consideration is the deleterious effect of the violation on the public and the industry involved. The Respondents engaged in willful, incompetent, fraudulent and deceitful activity without any intent to meet their obligations to the Complainants. The Respondents broke numerous laws without performing any services on behalf of the Complainants. Their repeated, willful, illegal, and incompetent actions impacted an industry that

was already in crisis, harming the faith of the public in the loan modification process and negatively impacting the entire industry.

The fifth factor for consideration is the assets of the violator(s). There is no evidence regarding this factor in the record.

The sixth factor for consideration is a catch-all allowing for consideration of any other relevant factor. The Respondents took the money of the Complainants and not only did nothing to earn it, their failure cost the Complainants valuable time and, in ██████████'s case, resulted in a mortgage default because of their incorrect advice to ██████████ not to pay on the mortgage. The Respondents lied to the Complainants and refused to refund the funds paid to them but unearned – they have grievously harmed these Complainants and should be sanctioned severely for this matter.

Based on the review of the factors to be considered, I find that a civil penalty is entirely appropriate in this matter and the CFR's proposed penalty amounts are appropriate and reasonable. I recommend penalties in the amount of \$1,000.00 for each violation, for both sets of Complainants, for a total of \$4,000.00.

Additionally, failure to comply with the MCSBA also subjects the Respondents to liability under CL § 14-1912, which allows an award of the amount of actual damage sustained by consumers and a monetary award equal to three times the total amount collected from consumers when a credit services business has willfully failed to comply with any requirements under that subtitle. The CFR seeks these damages in this matter and such damages are awarded. The willfulness of the noncompliance herein is clear and is demonstrated by the evidence. The willful nature is illustrated by numerous activities and failures, including: the Respondents' failure to respond to the Complainants' inquiries; their misleading, false and incorrect statements to the Complainants; their failure to respond to repeated requests for refunds; and the

Respondents' failure to provide any services whatsoever regarding obtaining a loan modification for [REDACTED] and giving incompetent, incomplete and ineffective services for the [REDACTED]. The Complainants are entitled to CL § 14-1912 damages.

As to [REDACTED], the actual damages are \$2,750.00, the amount paid by the [REDACTED] to the Respondents, and for purposes of the award, three times that amount, or \$8,250.00, is added, for a total of \$11,000.00 awarded to the Complainant [REDACTED] pursuant to CL § 14-1912.

As to the [REDACTED] the actual damages are \$3,450.00, the amount paid by the Complainant [REDACTED] to the Respondents, and, for purposes of the award, three times that amount, or \$10,350.00, is added, for a total of \$13,800.00 awarded to the [REDACTED] pursuant to CL § 14-1912.

Mr. Bellman also requested that a Final Cease and Desist Order be granted. That is also entirely appropriate and I will propose that such an Order be issued.

CONCLUSIONS OF LAW

Based upon the foregoing Findings of Fact and Discussion, I conclude as a matter of law that the Respondents engaged in credit service business activities that subject them to the provisions of the Maryland Credit Services Businesses Act (MCSBA);

I further conclude that the Respondents solicited, offered, sold, and agreed to provide residential mortgage loan modification services;

I further conclude that the Respondents engaged in credit services business activities with Maryland consumers without first obtaining a license from the CFR in violation of CL §§ 14-1902 (1) and 1903(b) and FI §§ 11-302(b) and 11-303;

I further conclude that the Respondents are not exempt from complying with the licensing requirements of CL § 14-1903(b) and FI § 11-302(b);

I further conclude that the Respondents received money in violation of CL § 14-1902(1);

I further conclude that the Respondents collected up-front fees prior to fully and completely performing all services in violation of CL § 14-1902(6);

I further conclude that the Respondents failed to provide Maryland consumers with required information statements in connection with the sale of services of a credit services business in violation of CL §§ 14-1904(a) and 14-1905;

I further conclude that Respondents failed to include required contractual terms in their agreements with Maryland consumers in violation of CL § 14-1906;

I further conclude that the Respondents made or used false and misleading representations in their sale of services to Maryland consumers in violation of CL § 14-1902(4);

I further conclude that the Respondents failed to obtain requisite surety bonds in violation of CL §§ 14-1908 and 14-1909;

I further conclude that the Respondents failed to clearly and conspicuously state their license number under the MCSBA, or their exemption thereto, in violation of CL § 14-1903.1;

I further conclude that the Respondents failed to obtain beneficial loan modifications or other forms of forbearance agreements for Maryland consumers which the Respondents had agreed to provide;

I further conclude that the Respondents willfully failed to comply with the MCBSA under CL § 14-1912(a);

I further conclude that the Respondents' violations justify the imposition of a civil penalty fine in the amount of \$4,000.00. FI § 2-115;

I further conclude that the Respondents' violations justify an order directing them to pay the Complainants damages as follows:

- 1) for Complainant [REDACTED] in the amount of \$11,000.00;

2) for Complainants [REDACTED] and [REDACTED] in the amount of \$13,800.00. CL § 14-1912;

I further conclude that all loan modification agreements made by the Respondents with Maryland consumers are void and unenforceable;

I further conclude that Respondents must refund to the Complainants all money and other valuable consideration that consumers paid to Respondents - and if applicable to Respondents' partners, employees, and/or agents - that is in any way related to these loan modification agreements; and,

I further conclude that a final cease and desist order should be entered under FI 2-115(a) (2011).

RECOMMENDED ORDER

I **RECOMMEND** that the CFR:

ORDER that the Respondents violated sections 14-1902 (1), (4) and (6), 14-1903(b), 14-1903.1, 4-1904, 14-1905, 14-1906, 14-1907, 14-1908, 14-1909, 14-1911 and 14-1912 of the Commercial Law Article of the Annotated Code of the State of Maryland; and further,

ORDER that the Respondents violated sections 11-302(b) and 11-303 of the Financial Institutions Article of the Annotated Code of the State of Maryland; and further,

ORDER that the Summary Order issued by the CFR on May 26, 2011, is hereby made a Final Order of the Commissioner (CL 14-1911(f)); and further,

ORDER that the Respondents pay to the Maryland Commissioner of Financial Regulation a civil penalty of \$4,000.00, calculated as follows: the amount of \$1,000.00 each for: 1) unlicensed activity in violation of the MCSBA (CL 14-1902(1) and 1903 (b); FI 11-302 and 303); 2) charging up-front fees in violation of the MCSBA (CL 14-1902(6)) for the cases of Complainant [REDACTED] and the Complainants [REDACTED]; and further,

ORDER that the Respondents pay to [REDACTED] the sum of \$11,000.00; and further,

ORDER that the Respondents pay to [REDACTED] and [REDACTED] the sum of \$13,800.00; and further,

ORDER, under FI 2-115(b)(1) and CL 14-1911(f), that the Respondents shall immediately **CEASE AND DESIST** from engaging in any further credit services business activities and/or loan modification services with Maryland residents and shall immediately **CEASE AND DESIST** from violating the aforementioned statutory provisions of the Annotated Code of Maryland; and further,

ORDER that the loan modification services agreements between the Respondents and Complainant [REDACTED] and Complainants [REDACTED] be rendered void and unenforceable as contrary to the public policy of the State of Maryland under CL 14-1907; and further,

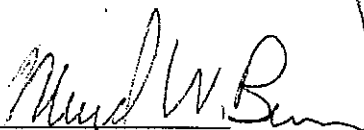
ORDER that the Respondents shall pay the required respective monetary awards to Complainant [REDACTED] and the Complainants [REDACTED] and [REDACTED] within thirty days of the date of the entry of a final decision in this case by the CFR; and further,

ORDER that upon the making of the required payments the Respondents shall furnish evidence of having made the payments to the CFR within sixty days of the entry of a final decision in this case by the CFR, which evidence shall consist of a copy of the front and back of the cancelled check for each payment; and further,

ORDER 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 North Calvert Street, Suite 402, Baltimore, Maryland 21202, Attn: Proceedings Administrator; and further,

ORDER that the CFR's records and publications reflect this decision.

August 30, 2012
Date Decision Issued



Michael W. Burns
Administrative Law Judge

MWB/
Doc# 136899

MARYLAND COMMISSIONER OF
FINANCIAL REGULATION

v.

PATRICK G. DRURY, ESQUIRE, a/k/a
PAT DRURY, et al.,

RESPONDENTS

* BEFORE MICHAEL W. BURNS,
* AN ADMINISTRATIVE LAW JUDGE
* OF THE MARYLAND OFFICE OF
* ADMINISTRATIVE HEARINGS
* OAH CASE No: DLR-CFR-76A-12-17671
* CFR FILE No: CFR-FY2011-149

* * * * *

File Exhibit List

Exhibits

I admitted the following exhibits on behalf of the CFR:

- CFR #1 May 1, 2012 Notice of Hearing
- CFR #2 April 16, 2012 Letter of delegation to the Hon. Jana Corn Burch, Executive Administrative Law Judge, from Anne Balcer Norton, Deputy Commissioner
- CFR #3 Letters to various Respondents from Zenaida V. Dorsey, with attachments: Law Offices of Patrick Drury, dated November 17, 2011; William Kane, dated November 18, 2011; Mortgage Modification Law Group, dated November 18, 2012; Patrick G. Drury, dated March 15, 2012
- CRF #3A Business entity information for the Law Offices of Patrick G. Drury
- CFR #3B Business entity information for Mortgage Modification Law Center
- CFR #3C Business entity information for Mortgage Modification Law Group, Inc.
- CFR #3D Business entity information for Mortgage Modification Lawyers, Inc.
- CFR #3E Business entity information for Mortgage Mitigation Law Group, PLC
- CFR #3F Attorney information for Patrick G.. Drury, Esquire
- CFR #4 Summary Order to Cease and Desist, dated May 26, 2011
- CFR #5 Investigative Report, dated April 9, 2012

- CFR #6 Complaint of [REDACTED], with attachments, dated June 20, 2011
- CFR #7 Complaint of [REDACTED] and [REDACTED], undated
- CFR #8 Article
- CFR #9 Final Order to Cease and Desist, In the Matter of Roxana E. Salgado, Case No.: CFR-FY2011-209, dated April 12, 2012

No exhibits were offered on behalf of the Respondents, none of whom were present at the hearing.