

IN THE MATTER OF:

**QUALITY FINANCIAL SOLUTIONS
d/b/a/ INNOVATIVE MARKETING
ALLIANCE, INC.,**

and

RONALD RAY FLEISCHMAN,

Respondents.

BEFORE THE MARYLAND

COMMISSIONER OF

FINANCIAL REGULATION

Case No.: CFR-FY2017-0049

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (“Agreement”) is entered into this 18 day of July, 2018, by and between the Deputy Commissioner of Financial Regulation (the “Deputy Commissioner”), and Quality Financial Solutions d/b/a Innovative Marketing Alliance, Inc. (“Quality Financial Solutions”) and Ronald Ray Fleischman (“Fleischman”) (collectively the “Respondents”). The Deputy Commissioner and the Respondents (collectively 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 Real Property Article (“RP”), Title 7, Subtitle 5, (the Maryland Mortgage Assistance Relief Services Act, hereinafter “MARS Act”), the Commissioner of Financial Regulation (“Commissioner”) has authority to enforce the provisions of the MARS Act.

2. Pursuant to RP §7-502, the MARS Act requires that mortgage assistance relief

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

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

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

Mortgage Assistance Relief Service means any service, plan, or program, offered or provided to the consumer in exchange for consideration that is represented, expressly or by implication, to assist or attempt to assist the consumer with any of the following:
(1) Stopping, preventing, or postponing any mortgage or deed of trust foreclosure sale for the consumer's dwelling, any repossession of the consumer's dwelling, or otherwise saving the consumer's dwelling from foreclosure or repossession;

- (2) Negotiating, obtaining, or arranging a modification of any term of a dwelling loan, including a reduction in the amount of interest, principal balance, monthly payments, or fees;
- (3) Obtaining any forbearance or modification in the timing of payments from any dwelling loan holder or servicer on any dwelling loan;
- (4) Negotiating, obtaining, or arranging any extension of the period of time within which the consumer may:
 - (i) Cure his or her default on a dwelling loan,
 - (ii) Reinstate his or her dwelling loan,
 - (iii) Redeem a dwelling, or
 - (iv) Exercise any right to reinstate a dwelling loan or redeem a dwelling;
- (5) Obtaining any waiver of an acceleration clause or balloon payment contained in any promissory note or contract secured by any dwelling; or
- (6) Negotiating, obtaining or arranging:
 - (i) A short sale of a dwelling,
 - (ii) A deed-in-lieu of foreclosure, or
 - (iii) Any other disposition of a dwelling other than a sale to a third party who is not the dwelling loan holder.

Therefore, under the pertinent federal regulations, incorporated into Maryland law through RP §§ 7-501 and 502 of the MARS Act, a “mortgage assistance relief service provider” includes any person offering, providing, or presenting that they can provide loan modification services for consideration.

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

6. Pursuant to RP § 7-506, the Commissioner may enforce the provisions of the MARS Act by, among other things, conducting investigations and issuing orders in accordance with the Commissioner’s general powers under Annotated Code of Maryland Financial Institutions Article, (“FI”) §§ 2-113 – 2-116, including issuing final cease and desist orders, and imposing a civil penalty of up to \$1,000 for the first violation of the MARS Act, and up to

\$5000 for each subsequent violation. The Commissioner may also require persons to take affirmative action to correct a violation, including the restitution of money or property to individuals harmed by the violation.

7. Based on an investigation of a complaint, the Deputy Commissioner has obtained information that justifies an enforcement action for violations of the MARS Act against the Respondents based on the following:

a. Quality Financial Solutions is a business operating out of Georgia that promises to assist homeowners in obtaining loan modifications. Quality Financial Solutions is not registered with the Maryland State Department of Assessments & Taxation and therefore not authorized to do business in the State of Maryland.

b. Fleischman is the owner, director, officer, manager, and/or agent of Quality Financial Solutions and directs or exercises control over Quality Financials Solutions activities and finances, including its loan modification activities with Maryland consumers.

c. The Respondents advertised and marketed loan modification services to Maryland residents, including but not limited to, soliciting consumers through radio station advertisements aimed at Maryland consumers.

d. On June 15, 2016, the Respondents entered into an agreement with a Maryland resident, [REDACTED] ("Consumer A"), whereby the Respondents agreed to provide loan modification services to Consumer A in connection with his property located at [REDACTED]

[REDACTED] The investigation determined that a representative for Respondents made a verbal representation to Consumer A that the Respondents would help him obtain a loan modification. The agreement required Consumer A

to pay \$2,195 in up-front fees to the Respondents and pursuant to the agreement, Consumer A made two payments totaling \$2,195. The fee was collected without a written agreement with CIT Bank – One West or any other servicer of the loan. The Respondents assisted Consumer A with creating the loan modification package and instructed Consumer A to wait for loan modification papers from CIT Bank. The Respondents did not submit Consumer A's loan modification application to CIT Bank, and CIT Bank was unaware that Consumer A was seeking a loan modification. Although the Respondents collected \$2,195 in up-front fees from Consumer A, the Respondents did not obtain a loan modification for Consumer A and did not return the \$2,195 in upfront payments to Consumer A.

e. On April 16, 2016, the Respondents entered into an agreement with a Maryland resident, [REDACTED] ("Consumer B"), whereby the Respondents agreed to provide loan modification services to Consumer B in connection with his property located at [REDACTED]

[REDACTED] The investigation determined that a representative for Respondents made a verbal representation to Consumer B that the Respondents could obtain a 2% fixed interest rate and lower mortgage loan payments payable by Consumer B. The agreement required Consumer B to pay \$2,045 in up-front fees to the Respondents and pursuant to the agreement, Consumer B made two payments totaling \$2,045. The fee was collected without a written agreement with Nationstar Mortgage or any other servicer of the loan. The Respondents did not submit Consumer B's loan modification application to Nationstar Mortgage, and Nationstar Mortgage was unaware that Consumer B was seeking a loan modification. Although the Respondents collected \$2,045 in up-front fees from Consumer B, the Respondents never performed any of the promised services for Consumer B and did not return the \$2,045 in upfront payments to Consumer B.

f. On May 21, 2016, the Respondents entered into an agreement with a Maryland resident, [REDACTED] ("Consumer C"), whereby the Respondents agreed to provide loan modification services to Consumer C in connection with his property located at [REDACTED]. The investigation determined that a representative for Respondents made a verbal representation to Consumer C that he could receive a reduction in his mortgage balance through a loan modification. The agreement required Consumer C to pay \$2,190 in up-front fees to the Respondents and pursuant to the agreement, Consumer C made three payments totaling \$2,190. The fee was collected without a written agreement with the lender or any other servicer of the loan. The Respondents ceased communication with Consumer C after receiving the final payment due under the agreement. The Respondents did not submit Consumer C's loan modification application to the bank, and the bank was unaware that Consumer C was seeking a loan modification. Although the Respondents collected \$2,190 in up-front fees from Consumer C, the Respondents never performed any of the promised services for Consumer C and did not return the \$2,190 in upfront payments to Consumer C.

g. On July 9, 2016, the Respondents entered into an agreement for Services with a Maryland resident [REDACTED] ("Consumer D"), whereby the Respondents promised to provide loan modification services to Consumer D in connection with her property located at [REDACTED]. The investigation determined that a representative for Respondents made a verbal representation to Consumer D that they would assist her with obtaining a loan modification to lower her mortgage payments.

The Agreement for Services required Consumer D to pay \$1,500 in up-front fees to the Respondents and pursuant to the agreement, Consumer D made two payments totaling \$695. The fee was collected without a written agreement with Ditech Financial LLC or any other servicer of the loan. The Respondents assisted Consumer D with the modification application and instructed Consumer D to send the loan modification package directly to the bank. However, Consumer D's lender denied her request for a loan modification. The investigation further determined that the Respondents ceased all further communication with Consumer D after her loan modification package was denied by her lender. Although the Respondents collected \$695 in up-front fees from Consumer D, the Respondents did not obtain a loan modification for Consumer D as promised and did not return the \$695 in upfront payments to Consumer D.

h. On June 1, 2016, the Respondents entered into an Agreement for Services with a Maryland resident, [REDACTED] ("Consumer E"), whereby the Respondents promised to provide loan modification services to Consumer E in connection with her property located at [REDACTED]. The Agreement for Services required Consumer E to pay \$1,495 in up-front fees to the Respondents and pursuant to the agreement, Consumer E made one payment totaling \$495. The fee was collected without a written agreement with Wells Fargo Bank or any other servicer of the loan. The Respondents did not submit Consumer E's loan modification application to Wells Fargo Bank, and Wells Fargo Bank was unaware that Consumer E was seeking a loan modification. Although the

Respondents collected \$495 in up-front fees from Consumer E, the Respondents never performed any of the promised services for Consumer E and did not return the \$495 in upfront payments to Consumer E.

i. On June 8, 2016, the Respondents entered into an Agreement for Services with a Maryland resident, [REDACTED] ("Consumer F"), whereby the Respondents promised to provide loan modification services to Consumer F in connection with his property located at [REDACTED]. The investigation determined that a representative for Respondents made a verbal representation to Consumer F that he could obtain a \$25,000 refund from Consumer F's mortgage lender based on a finding of mortgage fraud. This service was offered and performed by a law firm at no up-front charge. The Agreement for Services required Consumer F to pay \$2,490 in up-front fees to the Respondents and pursuant to the agreement, Consumer F made three payments totaling \$2,490. The fee was collected without a written agreement with the lender or servicer of the loan. The Respondents assisted Consumer F with the modification package and directed Consumer F to submit the completed application to the bank. However, Consumer F's lender denied his request for a loan modification. The investigation further determined that the Respondents ceased all further communication with Consumer F after his loan modification application was denied by his lender. Although the Respondents collected \$2,490 in up-front fees from Consumer F, the Respondents did not obtain a loan modification for Consumer F and did not return the \$2,490 in upfront payments to Consumer F.

j. In September 2016, the Respondents entered into an agreement with a Maryland resident, [REDACTED] ("Consumer G"), whereby the Respondents promised to provide loan modification services to Consumer G in connection with her property

located at [REDACTED] The investigation determined that a representative for the Respondents made a verbal representation to Consumer G that they could obtain a loan modification to reduce her monthly payment. The agreement required Consumer G to pay to the Respondents \$1,550. The investigation determined that at the direction of the representative for the Respondents, Consumer G submitted a payment in the amount of \$1,550 to the Respondents. The fee was collected without a written agreement with Ditech Financial LLC or any other servicer of the loan. At the Respondents' direction, Consumer G submitted the loan modification application to the bank. However, Consumer G's lender denied her request for a loan modification. The investigation further determined that Consumer G attempted to contact the Respondents on numerous occasions after the loan modification was denied but the Respondents ceased all further communication with Consumer G. The Respondents did not return the \$1,550 in up-front payments to Consumer G.

k. On March 17, 2016, the Respondents entered into an agreement with a Maryland resident, [REDACTED] ("Consumer H"), whereby the Respondents promised to provide loan modification services to Consumer H in connection with her property located at [REDACTED]. The agreement required Consumer H to pay \$2,500 in up-front fees to Respondents and pursuant to the agreement, Consumer H

made four payments totaling \$2,500. The fee was collected without a written agreement with Ocwen or servicer of the loan. The Respondents did not submit Consumer H's loan modification application to Ocwen, and Ocwen was unaware that Consumer H was seeking a loan modification. Although the Respondents collected \$2,500 in up-front fees from Consumer H, the Respondents never performed any of the promised services for Consumer H and did not return the \$2,500 in up-front payments to Consumer H.

l. On March 17, 2016, the Respondents entered into an agreement with Maryland residents, [REDACTED] ("Consumers I"), whereby the Respondents promised to provide loan modification services to Consumers I in connection with their property located at [REDACTED]. The Agreement required Consumers I to pay \$1,250 in up-front fees to the Respondents and pursuant to the agreement, Consumers I made two payments totaling \$1,250. The fee was collected without a written agreement with the lender or servicer of the loan. The Respondents assisted Consumers I with the modification package and instructed Consumers I to submit the loan modification package directly to the bank. Although the Respondents collected \$1,250 in up-front fees from Consumers I, the Respondents did not obtain a loan modification for Consumers I and did not return the \$1,250 in upfront payments to Consumers I.

m. On April 13, 2016, the Respondents entered into an Agreement for Services with Maryland resident, [REDACTED] ("Consumer J"), whereby the Respondents promised to provide loan modification services to Consumer J in connection with his property located at [REDACTED]. The investigation determined that a representative for the Respondents made a verbal representation to Consumer J that they could reduce his mortgage interest rates and monthly mortgage payments. The Agreement for

Services required Consumer J to pay \$1845 in up-front fees to the Respondents and pursuant to the agreement, Consumer J made three payments totaling \$1,845. The fee was collected without a written agreement with Chase Bank or any other servicer of the loan. The Respondents did not submit Consumer J's loan modification application to the Chase Bank, and Chase Bank was unaware that Consumer J was seeking a loan modification. The investigation further determined that Consumer J attempted to contact the Respondents on numerous occasions after submitting his payments to the Respondents but the Respondents ceased all further communication with Consumer J. Although the Respondents collected \$1,845 in up-front fees from Consumer J, the Respondents never performed any of the promised services for Consumer J and did not return the \$1,845 in upfront payments to Consumer J.

8. The Respondents wish to resolve the alleged violations of the MARS Act without the need for further administrative proceedings or other legal proceedings with the Commissioner, and to avoid the costs associated with such proceedings and any potential appeals. Therefore, the Respondents agree to resolve this matter fully, finally, and completely, without further enforcement action or administrative proceedings commenced, and further accept without condition, and fully agree to abide by, each and every term set forth in this Agreement, and waive their right to a Notice of Charges, a hearing, defenses, findings of fact and conclusions of law, the recommended decision of an administrative law judge or other hearing officer with respect to such recommended decisions, and judicial review of this Agreement.

9. The Commissioner agrees not to pursue an enforcement action based on the

alleged violations cited herein, unless or until the Respondents fail to perform their obligations under this Agreement.

10. The Respondents acknowledge that they have 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 the Respondents have consulted with independent legal counsel.

11. The Respondents represent and warrant that that they are currently in compliance with all applicable statutes, regulations, and other laws governing the MARS Act, as well as laws governing loan modification activities, loss mitigation services, foreclosure consulting, or other similar services with Maryland consumers, and that the Respondents will continue to act in compliance at all future times.

12. The Parties hereto agree that this Agreement is admissible and shall be binding and enforceable in court by the Commissioner and by the Respondents.

13. 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.

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

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

ORDERED that the Respondents shall pay restitution in the total amount of \$17,255 to Maryland Consumers A-J. Within ninety (90) days of the date this Agreement is fully

executed, Respondents shall mail a check for the amount of money to be refunded to each consumer via First Class U.S. Mail, to each affected consumer's last known address, or to an updated address as can be identified through customary address verification means. Each refund shall be accompanied by a letter indicating that the refund is being issued pursuant to a Settlement Agreement and Consent Order issued by the Deputy Commissioner of Financial Regulation, and that the Agreement does not in any way affect the consumer's legal rights. Within one-hundred and twenty (120) days of the date this Agreement is fully executed; the Respondents shall furnish evidence to the Office of the Commissioner of Financial Regulation ("OCFR") that the refunds were tendered to each affected consumer in the agreed amount by providing a copy of the front and back of the cancelled check for each refund payment. The Respondents shall not seek a release from Consumers A-J in conjunction with these refunds. A table listing each consumer and the amount owed to each consumer is attached to this document as Attachment A; and it is further

ORDERED that the Respondents shall transfer any refund payment checks within one year and one month from the date of execution of this Agreement to the custody of the State Comptroller, if any refund payment checks mailed by the Respondents to the Maryland consumers in accordance with this Agreement are either not cashed or are returned to the Respondents as non-deliverable (collectively, the "Undeliverable Refunds"). The Respondents will stop payment on such Undeliverable Refunds payment checks, and shall pay the total amount of all Undeliverable Refunds in the form of a single check made payable to the "Comptroller of Maryland," which shall be submitted to the OCFR, and accompanied by a spreadsheet in both hard copy and electronic format that contains the name of the consumer, the amount of upfront fees the Respondents collected

from the consumer, the social security number of the consumer (if known), the date of birth of the consumer (if known), the date on which each refund check was mailed, and an indication of which refund checks were cashed, and which refund checks were either not cashed or were returned to the Respondents as non-deliverable. Such action on the part of the Respondents shall relieve the Respondents of any further obligation to make refunds to these consumers under this Agreement; and it is further

ORDERED that the Respondents shall immediately cease and desist from engaging in any of the following: any and all activities which constitute mortgage assistance relief services as defined in RP § 7-501(d), including mortgage assistance relief, loan modification services, loss mitigation services, and foreclosure consulting in the State of Maryland or with Maryland residents, either by acting directly, or by acting indirectly through other individuals or business entities; and it is further

ORDERED that the Respondents shall immediately cease and desist from violating the aforementioned statutory provisions of Maryland law, including, but not limited to the MARS Act; and it is further

ORDERED that, in the event the 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) and RP § 7-506, 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 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, the Office of Administrative Hearings, or court of competent jurisdiction.

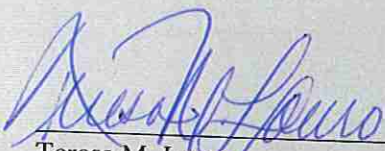
It is so **ORDERED**.

IN WITNESS WHEREOF, this Settlement Agreement and Consent Order is executed on the day and year first above written.

MARYLAND COMMISSIONER OF
FINANCIAL REGULATION

QUALITY FINANCIAL SOLUTIONS
D/B/A INNOVATIVE MARKETING
ALLIANCE, INC.

By:



Teresa M. Louro
Deputy Commissioner of Financial
Regulation

By:



Ronald Ray Fleischman
Individually and on Behalf
of All Respondent
Business Entities

ATTACHMENT A

Consumer ID	Consumer Name and Address	Amount Received for Modification Services
Consumer A		\$2,195
Consumer B		\$2,045
Consumer C		\$2,190
Consumer D		\$695
Consumer E		\$495
Consumer F		\$2,490
Consumer G		\$1,550
Consumer H		\$2,500
Consumer I		\$1,250
Consumer J		\$1,845