FINAL ORDER
DATE 7/20/2024

IN THE MATTER OF: MARYLAND OFFICE OF FINANCIAL REGULATION v. LEGAL JUSTICE LAW CENTER PC T/A OLYMPIC LAW GROUP And MATIN RAJABOV RESPONDENTS	BEFORE THE COMMISSIONER OF FINANCIAL REGULATION OAH NO. LABOR-CFR-76-23-31767 CFR-FY2022-0026

PROPOSED FINAL ORDER

The Proposed Decision ("Proposed Decision") of the Administrative Law Judge (the "ALJ"), issued on May 28, 2024, in the above captioned case, having been received, read and considered, it is, by the Commissioner of Financial Regulation (the "Commissioner") this of 22nd day of July, 2024 ORDERED,

A. That the Proposed Findings of Fact ("FF") enumerated as 1 through 72 in the Proposed Decision be, and hereby are, ADOPTED.

B. That the FF in the Proposed Decision be, and hereby are, SUPPLEMENTED with additional findings of fact as set forth herein.

C. That an additional finding of fact be enumerated as FF 1.1, included in this Order, and state in its entirety as follows:

FF 1.1 Because Olympia Law Group is a registered trade name of Legal Justice Law Group, P.C., the proper name of the Respondent law firm in this matter is Legal Justice Law Group, P.C. and Legal Justice Law Group, P.C., trades as Olympia Law Group.

D. That pursuant to §10-220(d) of the State Government Article, Annotated Code of Maryland, the Commissioner finds that the FF in the Proposed Decision be supplemented with FF 1.1 because the Office of Financial Regulation issued its statement of charges naming the Respondent law firm as Olympia Law Group. Evidence presented at the hearing conducted by the ALJ established that Olympia Law Group is a registered trade name for Legal Justice Law Group, P.C. and the ALJ issued FF 1 stating this fact. Because Olympia Law Group is a registered trade name for Legal Justice Law Group, P.C., the caption of this matter should reflect the name of the Respondent law firm as: "Legal Justice Law Group, P.C., t/a Olympia Law Group, P.C." (hereafter "OLG"). In making this additional FF 1.1, the Commissioner is simply stating what the ALJ found in the Proposed Decision[1].

E. That additional related findings of fact be enumerated as FF 3.1, 3.2, and 3.3, included in this Order, and state in their entirety as follows:

FF 3.1 Respondent Rajabov is the sole owner and managing director of OLG.

FF 3.2 Respondent Rajabov had extensive knowledge of the practices of Respondent OLG as they relate to the activities of the Respondent in Maryland.

FF 3.3 Respondent Rajabov knew or should have known of the practices of Respondent OLG which violated PHIFA and MARs.

[1] The Proposed Decision defined the Respondent law firm as "OLG." As used in this Order, the Commissioner defines OLG as Legal Justice Law Group, P.C., t/a Olympia Law Group, P.C. and all references to OLG herein, and in the Proposed Decision, shall be deemed to refer to Legal Justice Law Group, P.C., t/a Olympia Law Group, P.C.

F. That pursuant to §10-220(d) of the State Government Article, Annotated Code of Maryland, the Commissioner finds that the FF in the Proposed Decision be supplemented with FF 3.1, 3.2, and 3.3 for the following reasons. Respondent Rajabov argued that holding Respondent Rajabov responsible for any violations of PHIFA and MARs by Respondent OLG required findings of fraud sufficient to pierce OLG's corporate veil. In addressing this defense, the ALJ cited the case of *Consumer Protection Division v. Morgan*, 387 MD 125 (2005) ("*Morgan*") as standing for the proposition that officers of corporations who participate directly in or have authority to control the corporation's actions which violate a remedial consumer protection statute in Maryland can be held jointly and severally liable for such violation. In his discussion, the ALJ made express findings of fact that are consistent with FF 3.1, 3.2 and 3.3, however the ALJ did not separately list these findings of fact among the 72 findings of fact he proposed. The Commissioner adds FF 3.1, 3.2 and 3.3 to this Order to formalize 3 findings of fact the ALJ made in the Proposed Decision relating to Respondent's Rajabov's personal liability.

G. That additional findings of fact be enumerated as FF 10.1, 10.2, and 10.3, included in this Order, and state in their entirety as follows:

FF 10.1 Respondents offered no evidence that they maintained any legal practice in Maryland other than offering services regulated by PHIFA and MARs.

FF 10.2 Respondents offered no evidence that Ms. Jimenez regularly performed services regulated by PHIFA and/or MARs while engaged in her regular legal practice in Maryland.

FF 10.3 Respondents offered no evidence that Ms. Jimenez performed any, all, or substantially all of the services regulated by PHIFA or MARs provided to Maryland consumers.

H. That pursuant to §10-220(d) of the State Government Article, Annotated Code of Maryland, the Commissioner finds that the FF in the Proposed Decision be supplemented with FF 10.1, 10.2 and 10.3 for the following reasons. The Respondents argued that neither PHIFA nor MARs apply to attorneys and therefore neither applies to Respondents. PHIFA and MARs each contain provisions which render them inapplicable to certain attorneys. To take advantage of these

exceptions, the attorney must be licensed in Maryland and perform services covered by PHIFA and MARs as a part of that attorney's regular practice of law in Maryland. The ALJ found Respondent Rajabov was not licensed to practice law in Maryland. The ALJ also found the Respondent OLG did not perform services covered by PHIFA and MARs in connection with its regular practice of law in Maryland. As a result, the ALJ correctly concluded Respondents' status as a law firm and an attorney did not exempt the Respondents from the requirements of either PHIFA or MARs (discussed further under conclusions of law). OLG did have some type of contractual or employment relationship with Ms. Jimenez, an attorney licensed to practice law in Maryland. Unclear from the Proposed Decision is whether Respondents attempted to argue their relationship with Ms. Jimenez qualified Respondents for the attorney exception under either PHIFA or MARs. However, Respondents offered no evidence that Ms. Jimenez provided services covered by PHIFA and MARs through Respondents in connection with her regular practice of law in Maryland. Similarly, Respondents offered no evidence that Ms. Jimenez provided any services to Consumers A-F in this matter. Indeed, information in the file suggests that Ms. Jimenez had little to no involvement in the actual provision of these services to Consumers A-F. Consequently, the question of whether an out of state law firm can fall under the exception for attorneys to either PHIFA or MARs if that law firm provides all or substantially all of its services through Maryland licensed attorneys as part of those attorneys' normal practice of law is not presented by this case; the Respondents failed to offer any evidence concerning Ms. Jimenez's involvement or her regular practice of law. FF 10.1, 10.2, and 10.3 are all consistent with the ALJ's discussion in the Proposed Order and are included to further clarify Ms. Jimenez's relationship with Respondents as it relates to Respondents' assertion of an attorney exception to both PHIFA and MARs.

I. That an additional finding of fact be enumerated as FF 21.1, included in this Order, and state in its entirety as follows:

> FF 21.1 Respondent offered no evidence concerning why the CFPB, after opening a civil investigation into the business practices of OLG, decided not to take any enforcement action against Respondents.

J. That pursuant to §10-220(d) of the State Government Article, Annotated Code of Maryland, the Commissioner finds that the FF in the Proposed Decision be supplemented with FF 21.1 for the following reasons. The Respondents indicated the CFPB opened a civil investigation into the business activities of OLG but subsequently informed Respondents the CFPB would not take any enforcement action. The Respondents argued the CFPB's decision not to take any enforcement action against the Respondents after investigating their business offered evidence that the Respondents did not violate any applicable laws. In dismissing this argument, the ALJ noted that the Respondents offered no evidence indicating why the CFPB elected not to bring an enforcement action and that the CFPB may have reached this decision for any number of factors having nothing to do with whether Respondents violated any laws. The ALJ balanced this factor against the evidence presented in this case of Respondents actions which the ALJ found violated PHIFA and MARs. Accordingly, the ALJ correctly concluded that the CFPB's decision had no relevance to whether the Respondents violated Maryland law. FF 21.1 is entirely consistent with the ALJ's discussion of the Respondents' failure to provide any evidence explaining why the CFPB decided not to bring an enforcement action. The Commissioner formally adopts this finding as FF 21.1.

K. That the Proposed Conclusions of Law ("COL") enumerated as 1 through 3 (including all subparts) in the Proposed Decision be, and hereby are, ADOPTED.

L. That the COLs in the Proposed Decision be, and hereby are, SUPPLEMENTED with additional COLs.

M. That an introductory phrase and two additional COLs be enumerated as COL .01 and .02, placed before the sentence on Page 38 of the Proposed Decision that begins with "The Commissioner has proven...", included in this Order, and state in its entirety as follows:

The evidence presented in this matter establishes that:

COL .01 The Commissioner has jurisdiction to enforce both PHIFA and MARs under §§7-319.1 and 7-506, Real Property Article, Annotated Code of Maryland.

COL .02 The Commissioner has proven by a preponderance of evidence that PHIFA and MARs are remedial consumer protection statutes.

N. That pursuant to §10-220(d) of the State Government Article, Annotated Code of Maryland, the Commissioner finds that the COL in the Proposed Decision be supplemented with COL .01 and .02 for the following reasons. These 2 COLs present foundational elements contained in the Proposed Decision. The Commissioner has clear authority to enforce both PHIFA and MARs under §§7-319.1 and 7-506, Real Property Article, Annotated Code of Maryland. While this COL is implicit in the ALJ's Proposed Decision, the Proposed Decision did not cite these statutory references and they are being added for clarity. Similarly, in examining *Morgan,* the ALJ reached a foundational conclusion that PHIFA and MARs are both remedial consumer protection statutes. The statutory language of both PHIFA and MARs supports the ALJ's conclusion that each statute is a remedial consumer protection statute. Additionally, Maryland case law supports the ALJ's conclusion that both PHIFA and MARs are remedial consumer protection statutes. The ALJ established this foundational information in addressing Respondent Rajabov's argument against personal liability (discussed in O). Because the ALJ reached foundational conclusions consistent with COL .01 and .02 in the Proposed Decision, the Commissioner formalizes them as COL .01 and .02.

O. That an additional conclusion of law be enumerated as COL .03, placed immediately after COL .02, included with this Order, and state in its entirety as follows:

COL .03 The Commissioner has proven by a preponderance of the evidence that Respondent Rajabov is liable for violations of PHIFA and MARs committed by Respondent Legal Justice Law Group P.C. t/a Olympia Law Group.

P. That pursuant to §10-220(d) of the State Government Article, Annotated Code of Maryland, the Commissioner finds that the COL in the Proposed Decision be supplemented with COL .03 for the following reasons. The Respondent Rajabov argued he could not be held liable for violations of PHIFA and MARs committed by Respondent Legal Justice Law Group P.C. t/a Olympia Law Group unless the ALJ concluded Respondents committed fraud sufficient to pierce

OLG's corporate veil. The ALJ's Proposed Decision correctly interpreted the holding in *Morgan* as applicable in this matter. The ALJ then correctly applied the FFs made in this matter to the holding in *Morgan* to determine Respondent Rajabov is liable for violations of PHIFA and MARs committed by OLG and that this liability does not require piercing OLG's corporate veil. Because the ALJ reached this COL in the Proposed Order, the Commissioner formalizes it as COL .03.

Q. That an additional conclusion of law be enumerated as COL .04, placed immediately after COL .03, included with this Order, and state in its entirety as follows:

> COL .04 The Commissioner has proven by a preponderance of the evidence that, under both Maryland and California law, the dissolution of Respondent Legal Justice Law Group P.C. t/a Olympia Law Group does not bar this enforcement action against Respondent Legal Justice Law Group P.C. t/a Olympia Law Group.

R. That pursuant to §10-220(d) of the State Government Article, Annotated Code of Maryland, the Commissioner finds that the COL in the Proposed Decision be supplemented with COL .04 for the following reasons. The Respondents argued this enforcement action could not be brought against OLG because OLG dissolved under California law in 2022. In addressing this argument in the Proposed Decision, the ALJ cited provisions of both California and Maryland law under which a dissolved corporation continues to exist for the purposes of winding up its affairs, which may include prosecuting and defending actions by or against it. The ALJ found the violations of PHIFA and MARs at issue in this matter all occurred before OLG dissolved. The ALJ's Proposed Decision then correctly concluded that the dissolution of OLG did not bar this enforcement against OLG but did not adopt this COL as a formal COL. The Commissioner adds COL .04 as consistent with the Proposed Decision.

S. That an additional conclusion of law be enumerated as COL .05, placed immediately after COL .04, included with this Order, and state in its entirety as follows:

COL .05 The investigation by the CFPB into the Respondents' foreclosure practices which resulted in the CFPB electing not to bring an enforcement action against the Respondents has no bearing on whether the Respondents violated PHIFA and MARs.

T. That pursuant to §10-220(d) of the State Government Article, Annotated Code of Maryland, the Commissioner finds that the COL in the Proposed Decision be supplemented with COL .05 for the following reasons. As discussed previously, the Respondents argued that the CFPB's investigation into the Respondents' foreclosure practices and the CFPB's subsequent decision not to bring an enforcement action provided evidence the Respondents had not violated any laws. The ALJ found the Respondents presented no evidence that would indicate the reason why the CFPB's decided not to bring an enforcement action and that this decision could result from a myriad of reasons having nothing to do with whether the Respondents violated applicable law. The ALJ found the Commissioner presented ample evidence the Respondents violated PHIFA and MARs. For these reasons, the ALJ correctly concluded that, based on the evidence presented, the CFPB decision not to bring an enforcement action against Respondents had no bearing on whether Respondents violated PHIFA or MARs. The Commissioner adds COL .05 as consistent with the Proposed Decision and to clarify why this purported defense offered by the Respondents failed.

U. That three additional conclusions of law be enumerated as COL .06, .07, and .08, placed immediately after COL .05, included with this Order, and state in their entirety as follows:

COL .06 The Commissioner has proven by a preponderance of the evidence that, the services offered by Respondents to Maryland residents constitute foreclosure consulting services under §7-301 (e), Real Property Article, Annotated Code of Maryland, and render Respondents foreclosure consultants under §7-301 (c), Real Property Article, Annotated Code of Maryland.

COL .07 An exclusion from PHIFA for certain attorneys exists under Real Property Article §7-302 (a)(1).

COL .08 The Commissioner has proven by a preponderance of the evidence that the Respondent do not satisfy the conditions of Real Property Article §7-302 (a)(1) necessary to exclude the Respondents from PHIFA.

V. That pursuant to §10-220(d) of the State Government Article, Annotated Code of Maryland, the Commissioner finds that the COL in the Proposed Decision be supplemented with COL .06, .07, and .08 for the following reasons. The Commissioner proved, and the Respondents did not deny, that the services the Respondents offered to Maryland residents constitute foreclosure consulting services under PHIFA and constituted foreclosure consultants. Rather, the Respondents argued that their status as a law firm and an attorney placed them outside of the requirements of PHIFA. The ALJ noted an exception exists for certain attorneys under MARs but did not identify the exception for attorneys from PHIFA found §7-302 (a)(1), Real Property Article, Annotated Code of Maryland. The exception for certain attorneys found in PHIFA is substantially similar to the exception for certain attorneys found in MARs and the ALJ, after discussion, correctly determined the Respondents did not qualify for the attorney exception found in MARs. The ALJ's conclusion that Respondents did not qualify for the attorney exception under MARs is equally applicable to the attorney exception under PHIFA. Specifically, Respondent Rajabov is not licensed to practice law in Maryland and Respondents did not offer foreclosure consulting services in connection with their usual practice of law in Maryland. The Commissioner adds COL .06, .07, and .08, which are supported by the Proposed Decision, to this Order to clarify these points.

W. That three additional conclusions of law be enumerated as COL .09, 0.10, and 0.11, placed immediately after COL .08, included with this Order, and state in their entirety as follows:

COL .09 The Commissioner has proven by a preponderance of the evidence that, the services offered by Respondents to Maryland residents constitute mortgage assistance relief services within the meaning of §7-501(d), Real Property Article, Annotated Code of Maryland, and render the Respondents mortgage assistance relief service providers under §7-501(e), Real Property Article, Annotated Code of Maryland.

COL 0.10 An exclusion from MARs for certain attorneys exists under §7-503, Real Property Article, Annotated Code of Maryland.

COL 0.11 The Commissioner has proven by a preponderance of the evidence that the Respondent do not satisfy the conditions of §7-503, Real Property Article, Annotated Code of Maryland, necessary to exclude the Respondents from MARs.

X. That pursuant to §10-220(d) of the State Government Article, Annotated Code of Maryland, the Commissioner finds that the COL in the Proposed Decision be supplemented with COL .09, 0.10, and 0.11 for the following reasons. Similar to PHIFA, the Commissioner proved, and the Respondents did not deny, that the services the Respondents offered to Maryland residents constituted mortgage assistance relief services under MARs and that the Respondents therefore operated as mortgage assistance relief providers within the meaning of RP §7-501(e). Once again, Respondents argued for an attorney exception, this time found in §7-503, Real Property Article, Annotated Code of Maryland. The ALJ analyzed the exception for certain attorneys found in §7-503, Real Property Article, Annotated Code of Maryland and correctly determined the Respondents did not qualify for that exception. The ALJ focused on the fact Respondent Rajabov did not hold a license to practice law in Maryland and that OLG did not offer mortgage assistance relief services in connection with its normal legal practice in Maryland. These factors precluded Respondents from arguing that they qualified for the exception found in §7-503, Real Property Article, Annotated Code of Maryland. As the ALJ reached these conclusions in the Proposed Decision, the Commissioner adds them as formal COL .09, 0.10, and 0.11.

Y. That after having considered the factors for financial penalties under §2-115 Financial Institutions Article, Annotated Code of Maryland, having considered the ALJ's recommendation concerning the penalty amount and having further considered the ALJ's recommendation that Respondents pay restitution to Consumers A-F as set forth in the Proposed Decision, the civil penalties and restitution recommended by the ALJ in the Proposed Decision be, and hereby are ADOPTED, and:

1. Respondents shall pay the Commissioner, by cashier's check or certified check made payable to the "Commissioner of Financial Regulation," the amount of $550,000 in penalties, within twenty (20) days from the date of this Proposed Final Order;

2. Respondents shall pay restitution totaling $16,050 by cashier's check or certified check made payable to the "Commissioner of Financial Regulation," within twenty (20) days from the date of this Proposed Final Order;

3. Respondents shall clearly mark each check as either "Penalties" or "Restitution" to designate the intended application of the check proceeds; and

4. The Commissioner shall distribute any restitution received from Respondents to Consumers A-F in the amounts determined by the Proposed Decision.

The ALJ recommended financial penalty reduced the amount the Commissioner sought in this matter. Although the Commissioner believes the facts of this case may justify a higher penalty amount, the Commissioner notes the ALJ's recommended financial penalty of $550,000 represents a substantial penalty. As a result, the Commissioner will accept the ALJ's suggested penalty amount.

Z. Respondents shall immediately CEASE AND DESIST from:

1. offering any foreclosure consulting services, as such term is defined by PHIFA, in the State of Maryland;

2. operating as a financial consultant, as such term is defined by PHIFA, in the State of Maryland;

3. offering any mortgage assistance relief services, as such term is defined by MARs, in the State of Maryland; and

4. operating as a mortgage assistance relief service provider, as such term is defined by MARs, in the State of Maryland.

AA. That Respondents shall send all correspondence, notices, civil penalties, and other required submissions to the Commissioner at the following address: Commissioner of Financial Regulation, 1100 North Eutaw Street, Suite 611, Baltimore, MD 21201, Attention: Proceedings Administrator; and

BB. That the records and publications of the Commissioner reflect the Proposed Final Order.

Pursuant to COMAR 09.01.03.09, Respondents have the right to file exceptions to the Proposed Final Order and present arguments to the Commissioner. Respondents have twenty (20) days from the postmark date of this Proposed Final Order to file exceptions with the Commissioner. COMAR 09.01.03.09A(1). Unless written exceptions are filed within the twenty (20)-day deadline noted above, this Order shall be deemed to be the final decision of the Commissioner and subject to judicial review pursuant to §10-222, State Government Article, Annotated Code of Maryland.

Respondents may have the right to file a petition for judicial review; however, the filing of a petition for judicial review does not automatically stay the enforcement of this order.

Date:

July 22, 2024

MARYLAND COMMISSIONER OF FINANCIAL REGULATION

By: _____

Antonio P. Salazar,
Commissioner of Financial Regulation

MARYLAND OFFICE OF	*	**BEFORE STEPHEN W. THIBODEAU,**
FINANCIAL REGULATION	*	**AN ADMINISTRATIVE LAW JUDGE**
v.	*	**OF THE MARYLAND OFFICE OF**
OLYMPIA LAW GROUP	*	**ADMINISTRATIVE HEARINGS**
and	*	**OAH No: LABOR-CFR-76-23-31767**
MATIN RAJABOV,	*	**CFR No: CFR-FY2022-26**
RESPONDENTS	*	

* * * * * * * * * * * * *

PROPOSED DECISION

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

STATEMENT OF THE CASE

On November 14, 2023, the Maryland Commissioner of Financial Regulation, Office of Financial Regulation (Commissioner or OFR) issued a Charge Letter against Olympia Law Group (Respondent OLG) and Matin Rajabov[1] (Respondent Rajabov) (collectively, Respondents), alleging that they violated various provisions of the Real Property Article of the Annotated Code of Maryland, specifically sections 7-301 through 7-325 (the Protection of Homeowners in Foreclosure Act, or PHIFA, related to mortgage foreclosure) and sections 7-501

[1] The Charge letter named the Respondent as "Martin Rajabov". However, at the hearing Respondent Rajabov clarified that his first name is "Matin", not "Martin".

through 7-511 (Maryland Mortgage Assistance Relief Services Act, or MARS, related to loan modification services and mortgage assistance relief service activities).[2]

The Charge Letter further asserted that the Commissioner may enforce these provisions by issuing an order requiring the Respondents to cease and desist from these violations and further similar violations and requiring affirmative action to correct the violations. In addition, the Charge Letter stated that the Commissioner may impose a civil monetary penalty up to the maximum amount of $10,000.00 for the first violation and up to the maximum amount of $25,000.00 for each subsequent violation.

On November 21, 2023, the Commissioner transmitted the matter to the Office of Administrative Hearings (OAH) to conduct a hearing and issue proposed findings of fact and conclusions of law, as well as a recommended order, to the OFR.

On February 16 and 27, 2024, I convened a hearing by video. Md. Code Ann., Fin. Inst. § 2-115[3]; Code of Maryland Regulations (COMAR) 28.02.01.20B. Jonathan P. Phillips, Assistant Attorney General, represented the OFR. Respondent Rajabov appeared on his own behalf. No one appeared on behalf of Respondent OLG.[4]

Procedure in this case is governed by the provisions of the Administrative Procedure Act, the hearing regulations of the Department of Labor, and the Rules of Procedure of the OAH.

---

[2] Unless otherwise noted, all references to the Real Property Article are to the 2015 Replacement Volume and 2023 Supplement.

[3] Unless otherwise noted, all references to the Financial Institutions Article are to the 2020 Replacement Volume and 2023 Supplement.

[4] At the outset of the hearing, Respondent Rajabov asked for clarification regarding representation of Respondent OLG. Specifically, Respondent Rajabov proffered that Respondent OLG was no longer in business and he was unsure of how to proceed regarding representation of Respondent OLG given he was the owner and manager of Respondent OLG. Respondent Rajabov is a licensed attorney in the State of California. However, he is not a licensed attorney in the State of Maryland, and was not admitted pro hac vice in this matter. To that end, I noted that Respondent Rajabov would not be able to represent Respondent OLG at the hearing because he was not authorized under Maryland law to represent a corporate entity such as Respondent OLG. Md. Code Ann., State Govt. § 9-1607.1 (2021 & Sup. 2023).

Md. Code Ann., State Gov't §§ 10-201 through 10-226 (2021 & Supp. 2023); COMAR 09.01.03; and COMAR 28.02.01.

ISSUES

1. Did the Respondents engage in the following conduct, in violation of PHIFA:
   a. Operate as a foreclosure consultant providing real estate brokerage services in the State of Maryland without a proper license;[5]
   b. Improperly collect fees before performing services;[6]
   c. Fail to provide a signed written agreement for foreclosure consulting services to Maryland consumers;[7] and
   d. Fail to disclose all required contractual terms in agreements?[8]
2. Did the Respondents engage in the following conduct, in violation of the Code of Federal Regulations (C.F.R.) and MARS:
   a. Fail to disclose all required contractual terms in agreements[9]
   b. Receive payment before the consumer executed a written agreement with his or her loan holder or servicer;[10]
   c. Failing to investigate promptly and fully each consumer complaint it received from Maryland consumers?[11]
3. What, if any, sanctions should be imposed?

---

[5] Md. Code Ann., Real Prop. § 7-308.
[6] Md. Code Ann., Real Prop. § 7-307(2).
[7] Md. Code Ann., Real Prop. § 7-306(a)(5).
[8] Md. Code Ann., Real Prop. §§ 7-305 and 7-306.
[9] Md. Code Ann., Real Prop. § 7-502; 12 C.F.R. § 1015.4 (a) and (b). All references to the C.F.R. are to the 2024 volume.
[10] Md. Code Ann., Real Prop. § 7-502; 12 C.F.R. § 1015.5(a).
[11] Md. Code Ann., Real Prop. § 7-502; 12 C.F.R. § 1015.9(b)(2).

SUMMARY OF THE EVIDENCE

Exhibits

I admitted into evidence the following exhibits offered by the OFR, except as otherwise noted:

OFR Ex. 1 - Notices of Remote Hearing, December 21, 2023, with attached file copy of Subpoena, December 29, 2023

OFR Ex. 2 - Delegation Letter and Transmittal to the OAH, November 14, 2023 with Statement of Charges and Order for Hearing, November 14, 2023

OFR Ex. 3 - OFR Investigative File of the Respondents, including the OFR Report of Investigation (ROI) with attachments, Bates Stamped Numbers 001-337, April 4, 2022

OFR Ex. 4 - OFR Supplemental Memorandum to the ROI, with attachments, Bates Stamped Number 338-516, August 30, 2023

CFR Ex. 5 - Printout from the Commissioner's Trade Name Database searching for "Olympia Law Group", Bates Stamp Number 517, printed February 13, 2024; printout from the National Multistate Licensing System (NMLS) Database, searching the NMLS for "Olympia Law Group", Bates Stamp Numbers 517-518, printed February 13, 2024

OFR Ex. 6 - Printout of Olympia Law Group profile from the website foreclosurehelplawyers.com, Bate Stamps Numbers 520-530, last accessed February 13, 2024

OFR Ex. 7 - (Not offered or admitted)

OFR Ex. 8 - (Not offered or admitted)

OFR Ex. 9 - (Not offered or admitted)

OFR Ex. 10 - State Bar of California Stipulation of Facts, Conclusions of Law, and Disposition and Order Approving Actual Suspension of Law License for Matin Rajabov, Bates Stamp Numbered 556-603, December 29, 2021

I admitted the following exhibits on behalf of the Respondent Rajabov:

Rajabov Ex. 1 - Certificate of Dissolution from Secretary of State for the State of California for Legal Justice Law Center P.C., July 8, 2022

Rajabov Ex. 2 - Letter from Jane M.E. Peterson, Enforcement Attorney for the Consumer Financial Protection Bureau (CFPB) to Olympia Law Group, August 25, 2020, with attached Civil Investigative Demand

Rajabov Ex. 3 - Letter from Deborah Morris, Deputy Enforcement Director, CFPB, to Olympia Law Group, March 1, 2022

Rajabov Ex. 4 - Fictitious Business Name Statement in State of California, as known as a "doing business as" statement for Olympia Law Group, filed July 15, 2019

Testimony

The OFR presented the following witnesses:

- Austin Valentine, Lead Financial Fraud Investigator, Enforcement Unit, OFR;
- [redacted]

- [redacted]
- [redacted]

Respondent Rajabov testified on his own behalf.

PROPOSED FINDINGS OF FACT

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

Background

1. Respondent OLG is registered as trade name "Olympia Law Group" in the State of California as of July 15, 2019. Respondent OLG's trade name is registered to Legal Justice Law Group, P.C., (Legal Justice), a corporation registered in the State of California with a business address of 3200 Wilshire Boulevard, South Tower, Suite 1701, Los Angeles, California 90010.

2. Respondent OLG's trade name registration in the State of California expires on July 15, 2024.

3. At all times relevant to this proceeding, Legal Justice, doing business as Olympia Law Group, was a law firm solely owned and principally operated by Respondent Rajabov.

4. Respondent Rajabov is a California-licensed attorney. He is not licensed in the State of Maryland.

5. Legal Justice dissolved as a California corporation on July 18, 2022.

6. At all times relevant to this proceeding, the Respondents were not registered to do business in the State of Maryland, either as a law firm or as foreclosure consultants providing real estate brokerage services to consumers in the State of Maryland.

7. Respondent OLG employed Clarissa Jimenez, a Maryland licensed attorney, to do business on its behalf in the State of Maryland.

8. Ms. Jimenez's primary areas of practice included family law, civil litigation, and criminal defense. Ms. Jimenez worked for Respondent OLG to learn about the home loan modification process and foreclosures generally.

9. Ms. Jimenez was employed by Respondent OLG on a contractual basis beginning in June 2017 to assist Maryland consumers with home loan modifications to avoid foreclosure. She was paid by Respondent OLG at a rate of approximately $75.00 to $100.00 per file and a percentage of her normal hourly rate if she ever had to go to court on behalf of any of Respondent OLG's clients. However, she never had to go to court in Maryland on behalf of any of Respondent OLG's clients.

10. Respondent OLG advertised its services primarily through the internet, including the website "foreclosurehelplawyers.com". As of the date of the hearing, the "foreclosurehelplawyers.com" website was still active.

11. Respondent OLG advertised available services to consumers seeking to stop foreclosure on their homes. Specifically, Respondent OLG offered, as potential available options to avoid foreclosure, assistance with home loan modifications and potential lawsuits for predatory mortgage lending.

12. Several Maryland consumers (Consumers A-F) retained Respondent OLG to assist them with potential home loan modifications.

13. When Consumers A-F retained Respondent OLG, Consumers A-F would execute two separate agreements titled "Attorney Client Retainer Agreement" (the Agreements). One of the Agreements was subtitled "Property Analysis & Legal Consultation" (Property

Analysis Agreement). The other of the Agreements was subtitled "Legal Submission of Financial Packet" (Financial Packet Agreement).[12]

14. The Property Analysis agreement provided that Respondent OLG would perform a "legal consultation and review of mortgage situation" for each client, including "a property analysis and predetermination of debt to income ratio, review of any potential legal violations, assess foreclosure situation, set up internal file in processing system, potentially discuss mortgage loan with lender and determination if [the client] potentially qualify for mortgage restructure with their lender."

15. The Property Analysis Agreement further provided that any mortgage restructuring, negotiation with the client's lender or mortgage servicer, judicial foreclosure defense, litigation, and bankruptcy or deed in lieu of foreclosure would require an additional contract with Respondent OLG.

16. The Financial Packet Agreement provided that Respondent OLG would "assist with financial packet document collection, send authorization to release information to the mortgage lender on attorney letterhead, continuous written and oral support regarding required documentation with [the client], online portal to view ongoing case notes, analysis of debt to income ratios, analysis of housing ratios, submission of financial packet or mortgage restructure to mortgage lender on attorney letterhead, formatting monthly expenses, potentially discuss loan with the mortgage lender and file notations when required before submission." Like the Property Analysis Agreement, the Financial

[12] As to Consumers E and F as noted in Finding of Fact #19, the OFR and Respondent Rajabov stipulated to this fact without further testimony from witnesses.

Packet Agreement was limited to the services listed, and noted that additional services would require a separate agreement and fee.

17. Respondent OLG charged and collected upfront fees, in varying amounts, from Maryland consumers for each of the Agreements.

18. While Consumers A-F executed the Agreements and returned signed copies of the Agreements to the Respondent OLG, Consumers A-F never received an executed copy of the Agreements signed by a representative of the Respondent OLG.[13]

19. Consumers E and F complained to Respondent OLG regarding the handling of their file by Respondent OLG but did not receive a satisfactory response to their complaints.[14]

20. In August 2020, the CFPB opened a civil investigation into Respondent OLG's business practices, in particular to determine whether Respondent OLG provided mortgage assistance relief services and charged consumers advance fees, made false or misleading statements to consumers or otherwise failed to provide services in an unfair or abusive manner.

21. On March 1, 2022, the CFPB informed Respondent OLG that it would not take any enforcement action against Respondent OLG.

[redacted] ***"Consumer A"***

22. In September 2020, Consumer A was living in his home in [redacted] and was over a year in default to his mortgage. As a result, his mortgage servicer, Selene Finance, began foreclosure proceedings.

[13] As to Consumers E and F as noted in Finding of Fact #19, the OFR and Respondent Rajabov stipulated to this fact without further testimony from witnesses.
[14] The OFR and Respondent Rajabov stipulated to this fact without further testimony from witnesses.

23. In September 2020, Consumer A contacted Respondent OLG seeking assistance for a loan modification to avoid foreclosure.

24. On or about September 15, 2020, Consumer A signed the Agreements with Respondent OLG.

25. For the Property Analysis Agreement, Consumer A agreed to pay Respondent OLG $2,700.00 in upfront fees for Respondent OLG's services. For the Financial Packet Agreement, Consumer A agreed to pay Respondent OLG $1,200.00 in upfront fees for Respondent OLG's services.

26. Consumer A paid Respondent OLG the fees in the following amounts, for a total of $3,900.00: $1,500.00 on September 23, 2020; $1,200.00 on October 26, 2020; and November 24, 2020. The debits on Consumer A's bank statement for the two $1,200.00 payments noted an email address of "mrajabov@gmail.com", which is Respondent Rajabov's email address.

27. Prior to signing the Agreements, Consumer A spoke with Monica Brown, a representative for Respondent OLG. Consumer A expressed that he wanted Respondent OLG to work towards a loan modification for his property and to reinstate his loan with Selene Financing, because he had difficulty obtaining a modification with his prior loan servicer, Mr. Cooper.

28. Following Consumer A's execution of the Agreements, he spoke with Ms. Jimenez once over the telephone, who assured Consumer A that he would qualify for a loan modification.

29. Consumer A waited several months after signing the Agreements for Respondent OLG to obtain a loan modification for him. However, Consumer A never heard anything back from the Respondent OLG regarding his application.

30. Finally, on January 29, 2021, a few days before his home was scheduled for a foreclosure sale, Respondent OLG contacted Consumer A with the terms of a potential loan modification. However, by that point, Consumer A was speaking directly to Selene Financing, who indicated to Consumer A that they had no information regarding the proposed modification Consumer A received from Respondent OLG.

31. Consumer A never received a loan modification, and to Consumer A's knowledge, none of the services listed in the Agreements were performed. He complained to Respondent OLG regarding the poor service but never received a response. Ultimately, foreclosure went through on Consumer A's property.

32. The Respondents collected $3,900.00 in upfront fees from Consumer A.

33. The Respondents have not returned the $3,900.00 to Consumer A.

[redacted] ***"Consumer B"***

34. In August 2020, Consumer B was living in her home in [redacted] and had gotten behind in her mortgage payments with Flagstar Bank.

35. In August 2020, Consumer B contacted Respondent OLG seeking assistance for a loan modification to lower her mortgage payments and restructure her mortgage to place outstanding debt at the end of her loan as part of her bankruptcy.

36. On or about August 25, 2020, Consumer B signed the Agreements with Respondent OLG.[15]

37. For the Property Analysis Agreement, Consumer B agreed to pay Respondent OLG $1,550.00 in upfront fees for Respondent OLG's services. For the Financial Packet Agreement, Consumer B agreed to pay Respondent OLG $1,950.00 in upfront fees for Respondent OLG's services.

38. Consumer B paid Respondent OLG the fees in the following amounts, for a total of $3,500.00: $900.00 on September 4, 2020; $650.00 on October 2, 2020; $650.00 on November 6, 2020; $650.00 on December 7, 2020; and $650.00 on January 6, 2021. The debits on Consumer B's bank statement for all of the $650.00 payments noted an email address of "mrajabov@gmail.com", which is Respondent Rajabov's email address.

39. Following Consumer B's execution of the Agreements, representatives from Respondent OLG told Consumer B to pause payments on her mortgage until a loan modification could be worked out.

40. Consumer B waited several months for Respondent OLG to provide her with a loan modification, and spoke with representatives for Respondent OLG many times over the phone voicing frustration that she had not received a loan modification.

41. Ultimately, Consumer B contacted her mortgage loan servicer, Flagstar Bank, to determine whether Respondent OLG had done anything to modify Consumer B's home loan. Flagstar Bank informed Consumer B that nothing had been done.

[15] At the hearing, when reviewing the Agreements in evidence at OLG Ex. 4, Bates Stamps Numbers 400-404, Customer B stated that the signature on the Agreements did not appear to be her signature. However, she testified that she did indeed execute the Agreements, potentially via an electronic signature that did not resemble her signature, and complied with the payment terms outlined in the Agreements.

42. Consumer B attempted to contact Respondent OLG several times after speaking with Flagstar Bank, but could no longer reach them by telephone, and she heard nothing back from Respondent OLG regarding any of the services Respondent OLG stated they would perform as part of the Agreements.

43. The Respondents collected $3,500.00 in upfront fees from Consumer B.

44. The Respondents have not returned the $3,500.00 to Consumer B.

[redacted] ***"Consumer C"***

45. In March 2020, Consumer C was living in her home in [redacted] and contacted Respondent OLG seeking assistance for a home loan modification.

46. On or about March 27, 2020, Consumer C signed the Agreements with Respondent OLG.

47. For the Property Analysis Agreement, Consumer C agreed to pay Respondent OLG $1,800.00 in upfront fees for Respondent OLG's services. For the Financial Packet Agreement, Consumer C agreed to pay Respondent OLG $2,700.00 in upfront fees for Respondent OLG's services.

48. Respondent OLG provided Consumer C a payment schedule of $900.00 a month, beginning March 27, 2020, in order to satisfy the total $4,500.00 contracted for in the Agreements. However, Consumer C only made two of the payments for a total of $1,800.00 to satisfy what Consumer C owed on the Property Analysis Agreement.

49. Consumer C stopped paying Respondent OLG after the second payment because Respondent OLG did nothing with regards to obtaining a home loan modification with Consumer C's lender, including forwarding documents to Consumer C's lender.

50. Following the second payment, Consumer C never heard from Respondent OLG regarding further services the Respondent OLG would perform under the Financial Packet Agreement.

51. The Respondents collected $1,800.00 in upfront fees from Consumer C.

52. The Respondents have not returned the $1,800.00 to Consumer C.

[redacted] ***"Consumer D"***

53. In July 2020, Consumer D was living in her home in [redacted] and contacted Respondent OLG seeking assistance for a home loan modification.

54. Consumer D had previously attempted a home loan modification through her lender, Select Loan Servicing, but was denied due to incomplete paperwork. She hired Respondent OLG to assist her in submitting the paperwork in the hopes of successfully modifying her home loan.

55. On or about July 10, 2020, Consumer D signed the Agreements with Respondent OLG.

56. Consumer D paid $3,500.00 in upfront fees to Respondent OLG pursuant to the Agreements.

57. Respondent OLG forwarded a loan modification packet to Select Loan Servicing, on behalf of Consumer D. However, Consumer D was again rejected for a home loan modification and ultimately had to file bankruptcy and sell her home.

58. Consumer D complained to Respondent OLG that they simply did the same thing she had previously done, namely submit paperwork to her lender, without actually working with the lender to modify the loan. Consumer D received no response from Respondent OLG as to her complaint.

59. The Respondents collected $3,500.00 in upfront fees from Consumer D.

60. The Respondents have not returned the $3,500.00 to Consumer D.

[redacted], *"Consumer E"*

61. On or about February 10, 2020, Consumer E retained Respondent OLG pursuant to the Agreements.

62. Consumer E retained Respondent OLG to assist her with a home loan modification. However, she was not able to obtain a loan modification through Respondent OLG and ultimately received a loan modification working with her lender directly.

63. Consumer E paid the Respondent OLG upfront before Respondent OLG began performing any work on her file.

64. Consumer E paid $1,750.00 to Respondent OLG, in the following amounts: $450.00 on February 10, 2020; $500.00 on July 27, 2020; $375.00 on August 10, 2020; and $375.00 on August 24, 2020. The debits on Consumer E's bank statement for the July and August 2020 payments noted an email address of "mrajabov@gmail.com", which is Respondent Rajabov's email address.

65. The Respondents collected $1,750.00 in upfront fees from Consumer E.

66. The Respondents have not returned the $1,750.00 to Consumer E.

[redacted] *"Consumer F"*

67. On or about January 24, 2021, Consumer F retained Respondent OLG pursuant to the Agreements.

68. Consumer F retained Respondent OLG to assist him with a home loan modification. However, Respondent OLG did not perform any work to assist Consumer F, and his home went into foreclosure within a few months of retaining Respondent OLG.

69. Consumer F initially agreed to pay Respondent OLG approximately $3,400.00 under the

Agreements. However, Consumer F only made three payments to Respondent OLG totaling $1,600.00.

70. Consumer F stopped any further payments to Respondent OLG after it was clear they were not assisting him with his loan modification and after his home went into foreclosure.

71. The Respondents collected $1,600.00 in upfront fees from Consumer F.

72. The Respondents have not returned the $1,600.00 to Consumer F.

DISCUSSION

Burdens of Production and Persuasion

The OFR bears 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 (2021 and Supp. 2023); COMAR 09.01.02.16A; *Comm'r of Labor & Industry v. Bethlehem Steel*, 344 Md. 17, 34 (1996).

Legal Framework and Positions of the Parties

The Commissioner alleges that the Respondents violated provisions of PHIFA and MARS. In essence, the Commissioner contends that the Respondents engaged in foreclosure consulting services in the State of Maryland without a license, and violated multiple provisions of PHIFA and MARS, in particular by failing to provide required information and disclosures in the Agreements, collecting upfront fees, and failing to fully investigate consumer complaints. Consumer A contacted the OFR, which prompted a wider investigation of the Respondents. According to the OFR, that investigation revealed the Respondents engaged with multiple Maryland consumers for

foreclosure consulting that violated the law. The OFR argued these violations subject the Respondents to both penalties and restitution.

The Commissioner asserts that the Respondents are foreclosure consultants under PHIFA, relying on the definitions in section 7-301, which provide, in part, as follows:

> (c) Foreclosure consultant. – "Foreclosure consultant" means a person who:
>
> (1) Solicits or contacts a homeowner in writing, in person, or through any electronic or telecommunications medium and directly or indirectly makes a representation or offer to perform any service that the person represents will:
>
> (i) Stop, enjoin, delay, void, set aside, annul, stay, or postpone a foreclosure sale;
>
> (ii) Obtain forbearance from any servicer, beneficiary or mortgagee;
>
> (iii) Assist the homeowner to exercise a right of reinstatement provided in the loan documents or to refinance a loan that is in foreclosure and for which notice of foreclosure proceedings has been published;
>
> (iv) Obtain an extension of the period within which the homeowner may reinstate the homeowner's obligation or extend the deadline to object to a ratification;
>
> (v) Obtain a waiver of an acceleration clause contained in any promissory note or contract secured by a mortgage on a residence in default or contained in the mortgage;
>
> (vi) Assist the homeowner to obtain a loan or advance of funds;
>
> (vii) Avoid or ameliorate the impairment of the homeowner's credit resulting from the filing of an order to docket or a petition to foreclose or the conduct of a foreclosure sale;
>
> (viii) Save the homeowner's residence from foreclosure;
>
> (ix) Purchase or obtain an option to purchase the homeowner's residence within 20 days of an advertised or docketed foreclosure sale; or
>
> (x) Arrange for the homeowner to become a lessee or renter entitled to continue to reside in the homeowner's residence after a sale or transfer; or
>
> (2) Systematically contacts owners of residences in default to offer foreclosure consulting services.

To the extent a foreclosure consultant operates in the State of Maryland, pursuant to section 7-308 of the Real Property Article, they must be licensed as a real estate broker in the State.

Because the Respondents are foreclosure consultants, alleges the Commissioner, they are subject to the requirements of section 7-305 of the Real Property Article, which provides as follows:

> (a) In addition to any other right under law to cancel or rescind a contract, a homeowner has the right to rescind a foreclosure consulting contract at any time.
>
> (b) Rescission occurs when the homeowner gives written notice of rescission to the foreclosure consultant at the address specified in the contract or through any facsimile or electronic mail address identified in the contract or other materials provided to the homeowner by the foreclosure consultant.
>
> (c) Notice of rescission, if given by mail, is effective when deposited in the United States mail, properly addressed, with postage prepaid.
> (d) Notice of rescission need not be in the form provided with the contract and is effective, however expressed, if it indicates the intention of the homeowner to rescind the foreclosure consulting contract.
>
> (e) After the rescission of a foreclosure consulting contract, the homeowner shall repay, within 60 days from the date of rescission, any funds paid or advanced by the foreclosure consultant or anyone working with the foreclosure consultant under the terms of the foreclosure consulting contract, together with interest calculated at the rate of 8% a year.
>
> (f) The right to rescind may not be conditioned on the repayment of any funds.

The Commissioner also relies on section 7-306 of the Real Property Article with regard to required disclosures:

> (a) A foreclosure consulting contract shall:
> (1) Be provided to the homeowner for review before signing;
> (2) Be printed in at least 12 point type and written in the same language that is used by the homeowner and was used in

discussions with the foreclosure consultant to describe the consultant's services or to negotiate the contract;
(3) Fully disclose the exact nature of the foreclosure consulting services to be provided, including any sale or tenancy that may be involved, and the total amount and terms of any compensation from any source to be received by the foreclosure consultant or anyone working in association with the consultant;
(4) State the duty of the foreclosure consultant to provide the homeowner with written copies of any research the foreclosure consultant has regarding the value of the homeowner's residence in default, including any information on sales of comparable properties or any appraisals;
(5) Be dated and personally signed by the homeowner and the foreclosure consultant and be witnessed and acknowledged by a notary public appointed and commissioned by the State; and
(6) Contain the following notice, which shall be printed in at least 14 point boldface type, completed with the name of the foreclosure consultant, and located in immediate proximity to the space reserved for the homeowner's signature:

"NOTICE REQUIRED BY MARYLAND LAW

..... (Name) or anyone working for him or her CANNOT ask you to sign or have you sign any lien, mortgage, or deed as part of signing this agreement unless the terms of the transfer are specified in this document and you are given a separate explanation of the precise nature of the transaction. The separate explanation must include: how much money you must pay; how much money you will receive, if any; and how much money the foreclosure consultant will receive from any source.

..... (Name) or anyone working for him or her CANNOT guarantee you that they will be able to refinance your home or arrange for you to keep your home. Continue making mortgage payments until a refinancing, if applicable, is approved.

You have the right to rescind this foreclosure consulting contract at any time by informing the foreclosure consultant that you want to rescind the contract. See the attached Notice of Rescission form for an explanation of this right. After any rescission, you must repay, within 60 days, any money spent on your behalf as a result of this agreement, along with interest calculated at the rate of 8% a year.

If a contract to sell or transfer the deed or title to your property is involved in any way, you may rescind that contract at any time within 5 days after the date you sign that contract and you are informed of this right. After any rescission, you must repay, within

60 days, any money spent on your behalf as a result of this agreement, along with interest calculated at the rate of 8% a year.

THIS IS AN IMPORTANT LEGAL CONTRACT AND COULD RESULT IN THE LOSS OF YOUR HOME. CONTACT AN ATTORNEY BEFORE SIGNING."

(b) The contract shall contain on the first page, in at least 12 point type size:

(1) The name and address of the foreclosure consultant to which the notice of rescission is to be mailed; and

(2) The date the homeowner signed the contract.

(c) (1) The contract shall be accompanied by a completed form in duplicate, captioned "NOTICE OF RESCISSION".

(2) The Notice of Rescission shall:

(i) Be on a separate sheet of paper attached to the contract;

(ii) Be easily detachable; and

(iii) Contain the following statement printed in at least 15 point type:

"NOTICE OF RESCISSION

(Date of Contract)

You may rescind this foreclosure consulting contract, without any penalty, at any time.

If you want to rescind this contract, mail or deliver a signed and dated copy of this Notice of Rescission, or any other written notice indicating your intent to rescind to (name of foreclosure consultant) at (address of foreclosure consultant, including facsimile and electronic mail).

After any rescission, you (the homeowner) must repay any money spent on your behalf as a result of this agreement, within 60 days, along with interest calculated at the rate of 8% a year.

This is an important legal contract and could result in the loss of your home. Contact an attorney before signing.

NOTICE OF RESCISSION

TO: (name of foreclosure consultant)
(address of foreclosure consultant, including facsimile and electronic mail)

I hereby rescind this contract.

..... (Date)
..... (Homeowner's signature)."

(d) The foreclosure consultant shall provide the homeowner with a signed and dated copy of the foreclosure consulting contract and the attached Notice of Rescission immediately upon execution of the contract.
(e) The time during which the homeowner may rescind the foreclosure consulting contract does not begin to run until the foreclosure consultant has complied with this section.
(f) Any provision in a foreclosure consulting contract that attempts or purports to waive any of the rights specified in this title, consent to jurisdiction for litigation or choice of law in a state other than Maryland, consent to venue in a county other than the county in which the property is located, or impose any costs or filing fees greater than the fees required to file an action in a circuit court, is void.

Section 7-307 of the Real Property Article addresses upfront fees, which the Commissioner alleges were improperly collected by the Respondents in this case:

A foreclosure consultant may not:

. . .
(2) Claim, demand, charge, collect, or receive any compensation until after the foreclosure consultant has fully performed each and every service the foreclosure consultant contracted to perform or represented that the foreclosure consultant would perform;
. . .

In addition, the Commissioner relies on section 7-502 of MARS. This section states as follows:

A mortgage assistance relief service provider providing mortgage 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.

Accordingly, the Commissioner has cited to the following specific provisions of the C.F.R.:

> § 1015.4 Disclosures required in commercial communications.
>
> It is a violation of this rule for any mortgage assistance relief service provider to engage in the following conduct:
>
> *(a) Disclosures in All General Commercial Communications*—Failing to place the following statements in every general commercial communication for any mortgage assistance relief service:
>
> (1) "(Name of company) is not associated with the government, and our service is not approved by the government or your lender."
> (2) In cases where the mortgage assistance relief provider has represented, expressly or by implication, that consumers will receive any service or result set forth in paragraphs (2) and through (6) of the definition of *Mortgage Assistance Relief Service* in § 1015.2,[16] "Even if you accept this offer and use our service, your lender may not agree to change your loan."
> (3) The disclosures required by this paragraph must be made in a clear and prominent manner, and –
>
> (i) In textual communications the disclosures must appear together and be preceded by the heading "IMPORTANT NOTICE," which must be in bold face

---

[16] 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.

font that is two point-type larger than the font size of the required disclosures; and

(ii) In communications the disclosures disseminated orally or through audible means, wholly or in part, the audio component of the required disclosures must be preceded by the statement "Before using this service, consider the following information."

(b) Disclosures in All Consumer-Specific Commercial Communications— Failing to disclose the following information in every consumer-specific commercial communication for any mortgage assistance relief service:

(1) "You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance we obtain from your lender [or servicer]. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us (insert amount or method for calculating the amount) for our services." For the purposes of this paragraph (b)(1), the amount "you will have to pay" shall consist of the total amount the consumer must pay to purchase, receive, and use all of the mortgage assistance relief services that are the subject of the sales offer, including, but not limited to, all fees and charges.

(2) "(Name of company) is not associated with the government, and our service is not approved by the government or your lender."

(3) In cases where the mortgage assistance relief provider has represented, expressly or by implication, that consumers will receive any service or result set forth in paragraphs (2) through (6) of the definition of *Mortgage Assistance Relief Service* in § 1015.2, "Even if you accept this offer and use our service, your lender may not agree to change your loan."

(4) The disclosures required by this paragraph must be made in a clear and prominent manner, and –

(i) In textual communications the disclosures must appear together and be preceded by the heading "IMPORTANT NOTICE," which must be in bold face font that is two point-type larger than the font size of the required disclosures; and

(ii) In communications disseminated orally or through audible means, wholly or in part, the audio component of the required disclosures must be preceded by the statement "Before using this service, consider the following information" and, in telephone communications, must be made at the beginning of the call.

. . .

§ 1015.5 Prohibition on collection of advance payments and related disclosures.

It is a violation of this rule for any mortgage assistance relief service provider to:

(a) Request or receive payment of any fee or other consideration until the consumer has executed a written agreement between the consumer and the consumer's dwelling loan holder or servicer incorporating the offer of mortgage assistance relief the provider obtained from the consumer's dwelling loan holder or servicer;

. . .

§ 1015.9 Recordkeeping and compliance requirements.

. . .

(b) A mortgage assistance relief service provider also must:

. . .

(2) Investigate promptly and fully each consumer complaint received

. . .

Respondent Rajabov does not contest much of the factual basis for the OFR's charges, which were established at the hearing through its investigation and the testimony and documentary evidence provided by Consumers A-F. Respondent Rajabov generally denies that the Respondents did not work diligently to assist Consumers A-F to avoid foreclosure. Primarily, however, Respondent Rajabov argued there are multiple reasons that the Respondents should not be found in violation of PHIFA and MARS or otherwise issued civil penalties. First, Respondent Rajabov argued as attorneys, the Respondents were exempt from any of the requirements of PHIFA and MARS. Second, Respondent Rajabov argued that because

Respondent OLG was officially dissolved as a corporation in the State of California, the OFR could not hold Respondent OLG liable for conduct as a legal non-entity. Third, Respondent Rajabov maintained that the OFR could not "pierce the corporate veil" of Respondent OLG to assign any personal liability to him. Finally, Respondent Rajabov argued that because the CPFB did not find a violation of PHIFA or MARS against Respondent OLG, the OFR should not hold the Respondents in violation of those statutes in this case.

I find each of Respondent Rajabov's arguments unpersuasive, and for the reasons that follow, determine that the OFR has met its burden as to each of the cited violations of PHIFA and MARS and will recommend penalties against the Respondents consistent with the law.

Analysis

I begin with the PHIFA. First, I conclude that the Respondents are foreclosure consultants as defined by section 7-301(c). The Respondents, through the internet, advertised services to help consumers avoid foreclosure, including but not limited to home loan modification assistance and legal assistance to sue to prevent foreclosure. As such, the Respondents met the definition under section 7-301(c)(1) of the Real Property article of soliciting through an electronic medium, directly or indirectly, to perform services that included assistance to stop the foreclosure of Consumers A-F. Moreover, it is undisputed that the Respondents were not licensed as real estate brokers in the State of Maryland, and as such, were not licensed as foreclosure consultants as required under section 7-308 of the Real Property article. Because I have found that the Respondents are foreclosure consultants as defined by PHIFA, they are subject to all the provisions cited by the OFR as potential violations. However, by not being registered to do business in the State of Maryland as foreclosure consultants, the Respondents per se violated PHIFA due to a lack of a license.

Having concluded that the Respondents are foreclosure consultants and thus subject to PHIFA, I consider the specific provisions cited by the Commissioner. With respect to the collection of upfront fees as prohibited by section 7-307(2), six Maryland consumers testified that they paid Respondent OLG upfront at the time they executed the Agreements. Initial payments were made at the time the Agreements were signed, and further payments were made as part of a payment schedule with Respondent OLG, usually on a monthly basis. In all instances, Consumers A-F were unclear as to what they were getting for their money, as each testified that Respondent OLG did little to no work on their file while they continued to pay upfront fees.

While the documentary evidence provided as part of the OFR's ROI does not conclusively corroborate, in each and every consumer instance, the exact amounts of the payments made, Consumers A-F each testified as to the total amounts they paid. Moreover, the Respondents did not provide any evidence to dispute those amounts. For the bank statements that were provided as part of the ROI, several of the consumers had debits from their bank account that noted Respondent Rajabov's email address, showing his personal involvement in the collection of the fees. As a result, the following fees were collected by the Respondents in violation of PHIFA:

- Consumer A: $3,900.00;
- Consumer B: $3,500.00;
- Consumer C: $1,800.00;
- Consumer D: $3,500.00;
- Consumer E: $1,750.00;
- Consumer F: $1,600.00.

All told, the Respondents collected $16,050.00 in upfront fees from the six Maryland consumers who testified before me. A substantial portion of that number was collected right at that time Consumers A-F executed the Agreements. More was collected later at the time the Respondents were supposedly working on their files. While Respondent Rajabov raised the prospect that work was ongoing on each of the consumers files while they continued to pay their fees, several of the consumers, as noted above, stopped payment because they indicated no work had been done. As a result, I find it more likely than not that all the fees collected by the Respondents from Consumers A-F were "upfront" fees in the sense they were collected before any work was done for those consumers. Regardless, all of the initial payments collected from Consumers A-F at the time of their execution of the Agreements constituted upfront payments, and consequently, all are considered violations of PHIFA's prohibition on the collection of upfront fees.

I now turn to the Agreements and their alleged lack of compliance with PHIFA. First, it is undisputed that Consumers A-F signed copies of the Agreements and returned them to Respondent OLG, but never received a copy of the Agreements that were signed by the Respondents, nor witnessed or notarized, as required by section 7-306(a)(5).. As a result, there were six per se violations of PHIFA, one each for Consumers A-F, for the Agreements' lack of compliance with the signature requirement. While not all the Agreements for the Maryland consumers were provided in the OFR's ROI, all testified that they signed the Agreements, and never received a signed copy back from the Respondents. Moreover, the Agreements did not comport with the lengthy and explicit requirements outlined in PHIFA, particularly in sections 7-305 and 7-306. None of the required language outlined in the statute is present in the Agreements. Instead, the Agreements purport to be attorney-client retainer agreements, possibly to avoid the requirements of both PHIFA and MARS. The language for each of the Agreements

signed by Consumers A-F is the same, with one curious exception: Consumer A's agreements purport that he is hiring an Illinois attorney, as opposed to a Maryland attorney. Regardless, the Agreements in no way comply with PHIFA's requirements as outlined in statute, and they constitute six per se violations of PHIFA, one for each consumer that testified at the hearing.

I now consider whether the Respondents violated section 7-502 of the MARS Act. As noted above, the MARS Act incorporates provisions of the C.F.R. I agree with the Commissioner that the Respondents violated numerous regulations. In particular, much like the companion violation in PHIFA, the Respondents violated 12 C.F.R. § 1015.4, for a failure to provide the required language under MARS in the Agreements. As a result, there are six separate violations of MARS for failure to follow this regulation, corresponding with the Agreements signed by Consumers A-F.

In addition, similar to the companion violation in PHIFA, the Respondents violated MARS six times by collecting upfront fees in violation of the prohibition outlined in 12 C.F.R. § 1015.5(a). Corresponding directly with this regulation, there is no dispute that the Respondents collected fees before Consumers A-F has executed a written agreement between themselves and their loan holder or servicers "incorporating the offer of mortgage assistance relief the provider obtained from the consumer's dwelling loan holder or servicer." Indeed, in each case for Consumers A-F, fees were collected well before receiving any offer of mortgage assistance relief from their loan holder or servicer, if they received any offer at all.

Finally, Consumers A-F each testified that they complained to Respondent OLG as to handling of their files, but never received any response to their complaints from the Respondents. While Respondent Rajabov did cross examine some of the consumers with regards to this issue, the Respondents did not introduce any evidence to rebut the testimony of Consumers A-F that each of them complained to Respondent OLG and never had any indication that Respondent OLG

investigated their complaint. As a result, I find six violations, one as to each of the Consumers A-F, of 12 C.F.R. § 10159(b)(2), which required the Respondent to promptly and fully investigate each consumer complaint it received.

All told, the Respondents are subject to thirty-seven total violations of PHIFA and MARS, including one violation of PHIFA for operating as a foreclosure consultant without a license; six violations of PHIFA for collecting upfront fees; six violations of PHIFA for failing to provide signed written agreements to consumers; six violations of PHIFA for failing to disclose all required contractual terms in the Agreements; six violations of MARS for failing to disclose all contractual terms in the Agreements; six violations of MARS for collecting upfront fees; and six violations of MARS for failing to promptly and fully investigate consumer complaints.

I now to turn Respondent Rajabov's arguments that the Respondents should be not be liable these violations. As seen below, none of the arguments shields the Respondents from responsibility or sanction for these violations.

1. Attorney exemption from PHIFA and MARS

Respondent Rajabov first argued that the Respondents, both as a law firm in the case of Respondent OLG, and himself personally, were exempt from PHIFA and MARS because they were operating as attorneys and not foreclosure consultants. I first note that with the exception of Clarissa Jimenez, who worked briefly as a contract attorney for Respondent OLG, neither Respondent OLG as a law firm, nor Respondent Rajabov personally, was either licensed as a law firm or as an attorney in the State of Maryland for all times relevant to this proceeding. Moreover, having already found that the Respondents meet the definition of a foreclosure consultant under PHIFA, the Respondents' status regarding the practice of law is superfluous to my analysis. In particular, there is no noted exception to PHIFA's requirements in the statute. Indeed, the only

exception for attorneys is outlined in MARS, but a close examination of that exception provides no relief to the Respondents.

MARS, through its incorporation of the federal regulation, does provide for an exception for attorneys from its requirements, specifically in 12 C.F.R. § 1015.7:

> § 1015.7 Exemptions.
>
> (a) An attorney is exempt from this part, with the exception of § 1015.5, if the attorney:
>
> (1) Provides mortgage assistance relief services as part of the practice of law;
>
> (2) Is licensed to practice law in the state in which the consumer for whom the attorney is providing mortgage assistance relief services resides or in which the consumer's dwelling is located; and
>
> (3) Complies with state laws and regulations that cover the same type of conduct the rule requires.
>
> (b) An attorney who is exempt pursuant to paragraph (a) of this section is also exempt from § 1015.5 if the attorney:
>
> (1) Deposits any funds received from the consumer prior to performing legal services in a client trust account; and
>
> (2) Complies with all state laws and regulations, including licensing regulations, applicable to client trust accounts.

In the Maryland code, section 7-503 of the Real Property article incorporates 12 C.F.R. § 1015.7, but conditions the exemption only to those individuals "admitted to practice law in the State who provide mortgage relief assistance service as part of the individual's regular practice of law."

In reviewing the attorney exemption codified in MARS and the federal regulations, two things stand out that negate Respondent Rajabov's argument. First, as the federal regulation makes clear, attorneys are *only* exempt from requirements that do not involve the prohibition on upfront fees outlined in 12 C.F.R. § 1015.5. As a result, the exception, if it were applied, would only insulate the Respondents from all the OFR's MARS charges that did not involve the

collection of upfront fees. Those six violations would still apply, unless the Respondents could show that such fees were placed in a client trust account. No such evidence was provided for my consideration.

Secondly, and more importantly, both MARS and the federal regulation required the attorney to be barred in the State of Maryland in order to get the benefit of the exemption. Here, it is undisputed that the Respondents were not licensed in Maryland, and the only Maryland licensed attorney present in this case was Clarissa Jimenez, who did contract work for Respondent OLG. However, her regular practice of law did not involve mortgage assistance relief, as noted above. Her practice was primarily in the areas of family law, civil litigation, and criminal defense, and she did side work reviewing files for Respondent OLG. As a result, even Ms. Jimenez would not qualify for the attorney exemption in Maryland, as outlined in section 7-503.

As a result, I find that the attorney exemption as outlined in MARS is inapplicable to the Respondents and does not shield them from sanctions for violations of MARS.

2. Dissolution of Respondent OLG in the State of California

Respondent Rajabov introduced evidence of Respondent OLG's dissolution as a corporation in the State of California and argued that because Respondent OLG was no longer a legitimate business entity, it could no longer be held liable for violations of PHIFA and MARS. This assertion is incorrect. Under Maryland law, "a corporation continues to exist, at least for some limited purposes beyond forfeiture or dissolution of its charter." *See Thomas v. Rowhouses, Inc.*, 206 Md. App. 72, 80 (2012).

In *Thomas*, the Maryland Supreme Court[17] reviewed provisions from the Maryland Corporations and Associations Article, commentaries on corporate law, and case law, reaching the

[17] Formerly the Maryland Court of Appeals.

conclusion that ". . . a corporation[] whose charter has been forfeited and which is in the process of 'winding up,' is still 'alive' for purposes of being sued to satisfy its debts and liabilities." *Id.* "'Winding up' . . . generally includes paying all debts, obligations and liabilities of the corporation, distributing property and resolving pending suits against the corporation." *Id.*, citing with approval Fletcher Corporate Forms § 3671 (4th ed. 2001); and 16A Fletcher Cyclopedia of the Law of Corporations § 8141.

Of course, it is undisputed that Respondent OLG was not registered as a corporation in Maryland, but in California. To that extent, California's corporation law is potentially broader in scope with respect to a dissolved corporation and the extent to which it can be held liable. Specifically, California Corporation Code § 2010(a) provides that:

> A corporation which is dissolved nevertheless continues to exist for the purpose of winding up its affairs, *prosecuting and defending actions by or against it and enabling it to collect and discharge obligations*, dispose of and convey its property and collect and divide its assets, but not for the purpose of continuing business except so far as necessary for the winding up thereof.

Ca. Corp. § 2010(a) (2006) (emphasis added).

Therefore, under both Maryland and California law, dissolution of a corporation does not insulate a corporation against lawsuits, in particular if the business is "winding up" its affairs. Here, there was no evidence introduced that Respondent OLG is not currently "winding up" its affairs, nor any evidence that would demonstrate, under California law, that Respondent OLG is somehow exempted from California's requirements for dissolved corporations to be subject to legal actions against it "to collect and discharge" its obligations. *Id.* For those reasons, I find that the dissolution of Respondent OLG in the State of California does not preclude the OFR's charges in this case.

3. "Piercing the Corporate Veil"

Respondent Rajabov also argued that he could not be held personally responsible in the OFR's action without "piercing the corporate veil" of Respondent OLG, and that could not be done without a showing of some sort of fraud on the part of Respondent Rajabov. *See, e.g. Ramlall v. MobilePro Corp.*, 202 Md. App. 20, 30 (2011). Because the OFR did not explicitly allege fraud, Respondent Rajabov argued that the OFR charges against him personally failed on their face.

While the OFR argued that the record is replete with fraudulent actions by Respondent Rajabov, I need not reach that conclusion to determine that piercing of the corporate veil is unnecessary in this case. There is authority to support a finding that the Respondents are jointly and severally liable and piercing of the corporate veil is not applicable in cases involving remedial, consumer protection laws.

In *Consumer Protection Division v. Morgan*, 387 Md. 125 (2005), the Maryland Supreme Court[18] looked to Federal Trade Commission cases dealing with unfair or deceptive trade practices in deciding a case under the Consumer Protection Act (the CPA). Although not directly on point, the reasoning is persuasive. In *Morgan*, the Court adopted a test found in *Federal Trade Commission v. Amy Travel Service, Inc.*, 875 F. 2d 564, 573-74 (7th Cir. 1989), requiring that officers of corporations who participate directly in or have the authority to control the corporation's actions be held jointly and severally liable. *Morgan*, 387 Md. at 175, *citing Amy Travel*, 875 F.2d at 573-574. This standard is satisfied if the officers "knew or should have known" of the practices. *Amy Travel*, 875 F.2d at 573-74. The Seventh Circuit further stated, "the degree of participation in business affairs is probative of knowledge." *Id.* at 574. The

[18] Formerly the Maryland Court of Appeals.

Morgan Court therefore held that, in actions under the CPA, individuals and the companies they own may be held jointly and severally liable for restitution even though the CPA does not expressly authorize joint and several liability.

Much like the CPA, PHIFA and MARS are remedial statutes intended to protect Maryland consumers from unscrupulous foreclosure consultants. Here, it is undisputed that Respondent Rajabov was the sole owner and managing director of Respondent OLG. As a result, and following the *Morgan* court's reasoning, he knew or should have known of Respondent OLG's practices as they related to the OFR alleged violations. Moreover, the record demonstrates this to be the case, given his extensive knowledge of Respondent OLG's practices, the language of the Agreements, his cross-examination questions to the witnesses in this case, and his general knowledge of the foreclosure consulting business. Therefore, there is no need to pierce the corporate veil of Respondent OLG to hold Respondent Rajabov responsible for the violations committed by the Respondents under PHIFA and MARS. In short, they are jointly and severally liable given the remedial nature of the relevant statutes.

4. Lack of CPFB Action against the Respondents

Finally, Respondent Rajabov introduced evidence and argued that because the CPFB opened an investigation of Respondent OLG as to potential MARS violations in 2020, and ultimately informed Respondent OLG in 2022 that it was not taking enforcement action, that the OFR's violations were misplaced. I am doubtful that the CPFB's decision not to take enforcement action against Respondent OLG would somehow preclude OFR's charges in this case, and give the CPFB's decision little weight in what I have to decide.

In particular, no information was provided by the parties or the CPFB as to why it decided not to pursue enforcement action against Respondent OLG. Much like the discretion of a criminal prosecutor, the CFPB may have a myriad of reasons not to pursue civil enforcement of

Respondent OLG for violations of federal regulations. The record before simply does not specify what those reasons might be. I am therefore left with nothing more than the CFPB's discretionary decision not to pursue civil enforcement weighed against the OFR's decision to pursue charges. The OFR's charges were demonstrated with the substantial evidence presented to me in this record, and carry far more weight than the CFPB's non-action in this case.

Sanctions

I now turn to the potential sanctions against the Respondents. With regard to action the Commissioner may take to address the alleged violations, the OFR relies on section 2-115 of the Financial Institutions Article of the Maryland Annotated Code:

> (a) When the Commissioner determines 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, and that immediate action against the person is in the public interest, the Commissioner may in the Commissioner's discretion issue, without a prior hearing, a summary order directing the person to cease and desist from engaging in the activity, provided that the summary cease and desist order gives the person:
>
> (1) Notice of the opportunity for a hearing before the Commissioner to determine whether the summary cease and desist order should be vacated, modified, or entered as final; and
>
> (2) Notice that the summary cease and desist order will be entered as final if the person does not request a hearing within 15 days of receipt of the summary cease and desist order.
>
> (b) 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 $10,000 for a first violation and a maximum amount of $25,000 for each subsequent violation; or
>
> (4) Take any combination of the actions specified in this subsection.

(c) 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.

(d) Notice of any hearing under this section shall be given and the hearing shall be held in accordance with the Administrative Procedure Act.

At the hearing, the OFR did not ask for a cease and desist order as to the Respondents, though it did note in its Charge Letter that it was a possible sanction. Given the record before me, I do believe a cease and desist order is warranted. The Respondent OLG continues to list services on the internet for foreclosure consulting services, though Respondent Rajabov claimed he was unaware some of the websites were still live and that they may "mirror" prior websites for Respondent OLG than were never completely shut down. Indeed, if Respondents are out of the foreclosure consulting business, a cease and desist order should be easy to comply with. But given the current uncertainty of the Respondents' operation and continued web presence, such an order is appropriate at this juncture to ensure Maryland consumers are no longer harmed by the Respondents' practices.

As for civil penalties, the OFR asked that I recommend a total civil penalty against the Respondents of $910,000.00. This request is based on a $10,000.00 penalty for the first violation, and a maximum of $25,000.00 penalty for the subsequent thirty-six violations, as noted above. The OFR also asked that I recommend restitution for Consumers A-F.

Based on the factors set out in section 2-115 of the Financial Institutions Article, I agree that substantial penalties are appropriate in this case, though not necessarily the maximum penalty available. The violations are serious – the Respondents clearly took advantage of

Maryland consumers struggling to retain their homes and not only failed to assist them, but in fact inflicted further financial harm on them. The Respondents' misleading communications and promises, without required disclosures, demonstrate that the Respondents' actions were deliberate and calculated. Further, the Respondents' unresponsiveness and essentially giving the consumers the proverbial "run around" once the consumers had paid the fees makes clear that the Respondents were not acting in good faith, as they made no effort to communicate with the consumers or to rectify the situation, and failed to properly investigate complaints from the various consumers. The harm to the consumers and the deleterious effect on both the public and the industry cannot be overstated; legitimate foreclosure consultants provide an important service to struggling homeowners, and the Respondents' actions portrayed the foreclosure consultant industry in a bad light with Consumers A-F, and the public at large. Indeed, many of the consumers who testified before me related that they felt they had been victims of a "scam".

As to the question of the Respondents' assets, the record is sparse. During closing argument, Respondent Rajabov noted that he would not have the assets for a nearly million-dollar penalty, as proposed by the OFR in its closing argument, and due to Respondent OLG's status a dissolved corporation, Respondent OLG would not be able to pay such a penalty. However, the Respondents did not place any evidence in the record as to their current financial condition or ability to pay, though I can infer, at least in the case of Respondent OLG, that ability is limited given its current corporate status.

Finally, as to other relevant factors left for me to consider, I note that the violations are stacked in a way that they are the same violation for the same violations of sections of PHIFA and MARS as to six separate Maryland consumers. While any one of those violations could provide for a maximum penalty of $25,000.00, it was Respondents' similar course of conduct as to each consumer that was more troubling, not the individual violations themselves.

Therefore, I will recommend a $10,000.00 maximum penalty for the first violation, in this case the failure to have a license to operate as a foreclosure consultant under PHIFA, and $15,000.00 per violation for the subsequent thirty-six violations under PHIFA and MARS as to Consumers A-F, for a total of $550,000.00 in civil penalties.

Most importantly, I recommend that restitution be ordered, in the amount of $16,050.00, for Consumers A-F, and recommend the restitution be allocated to Consumers A-F based on the amount each consumer paid to the Respondents. Ultimately, Consumers A-F experienced the most direct harm due to the Respondents conduct and should be made whole accordingly.

PROPOSED CONCLUSIONS OF LAW

The Commissioner has proven by a preponderance of the evidence that the Respondents:

1. Engaged in the following conduct, in violation of PHIFA:

   a. Operated as a foreclosure consultant providing real estate brokerage services in the State of Maryland without a proper license in violation of section 7-308 of the Real Property Article of the Maryland Annotated Code of Maryland;

   b. Improperly collected fees before performing services, in violation of section 7-307(2) of the Real Property Article of the Annotated Code of Maryland;

   c. Failed to provide a signed written agreement for foreclosure consulting services to Maryland consumers in violation of section 7-306(a)(5) of the Real Property Article of the Annotated Code of Maryland; and

   d. Failed to disclose all required contractual terms in agreements, in violation of sections 7-305 and 7-306 of the Real Property Article of the Annotated Code of Maryland; and

2. Engaged in the following conduct, in violation of the C.F.R. and MARS:

   a. Failed to disclose all required contractual terms in agreements in violation of section 7-502 of the Real Property Article of the Annotated Code of Maryland and 12 C.F.R. § 1015.4(a) and (b);

   b. Received payment before consumers had executed a written agreements with their loan holder or servicer, in violation of section 7-502 of the Real Property Article of the Annotated Code of Maryland and 12 C.F.R. § 1015.5(a); and

   c. Failed to promptly and fully investigate each consumer complaint it received from Maryland consumers in violation of section 7-502 of the Real Property Article and the Annotated Code of Maryland and 12 C.F.R. § 1015.9(b)(2).

3. Are therefore subject to a cease and desist order and financial penalties. Md. Code Ann., Fin. Inst. § 2-115.

RECOMMENDED ORDER

I **RECOMMEND** that the Commissioner:

ORDER that the Respondents shall immediately **CEASE AND DESIST** from engaging in any further foreclosure consultant activities; and

ORDER that for violations of the Protection of Homeowners in Foreclosure Act and the Maryland Mortgage Assistance Relief Services Act, the Respondents pay a penalty of $550,000.00;

ORDER the Respondents pay $16,050.00 in restitution to the consumers and further,

ORDER that the records and publications of the Commissioner reflect this decision.

May 28, 2024
Date Decision Issued

Stephen W. Thibodeau
Administrative Law Judge

SWT/kh
#211846