

IN THE MATTER OF:	*	BEFORE THE MARYLAND
SANYA FREEMAN,	*	COMMISSIONER OF
Individually and d/b/a	*	FINANCIAL REGULATION
A-1 CREDIT SOLUTIONS,	*	
AMERICAN MORTGAGE &	*	
CREDIT SOLUTIONS,	*	
B&C INVESTMENT SOLUTIONS,	*	
FREEMAN BUSINESS SOLUTIONS;	*	
	*	
GERALD BRIGHT,	*	DFR-EU-2008-091
Individually and d/b/a	*	
A-1 CREDIT SOLUTIONS,	*	
AMERICAN MORTGAGE &	*	
CREDIT SOLUTIONS,	*	
B&C INVESTMENT SOLUTIONS,	*	
FREEMAN BUSINESS SOLUTIONS;	*	
	*	
SANYA FREEMAN and	*	
GERALD BRIGHT,	*	
Jointly and d/b/a	*	
A-1 CREDIT SOLUTIONS,	*	
AMERICAN MORTGAGE &	*	
CREDIT SOLUTIONS,	*	
B&C INVESTMENT SOLUTIONS,	*	
FREEMAN BUSINESS SOLUTIONS	*	
	*	
* * * * *		

FINAL ORDER

WHEREAS, the Office of the Commissioner of Financial Regulation (“OCFR”) conducted an investigation into the credit services business and debt management service activities of Sanya Freeman, individually and d/b/a A-1 Credit Solutions, American Mortgage & Credit Solutions, B&C Investment Solutions, and Freeman Business Solutions; Gerald Bright, individually and d/b/a A-1 Credit Solutions, American Mortgage & Credit Solutions, B&C Investment Solutions, and Freeman Business

Solutions; and Sanya Freeman and Gerald Bright, jointly and d/b/a A-1 Credit Solutions, American Mortgage & Credit Solutions, B&C Investment Solutions, and Freeman Business Solutions (collectively hereinafter the “Respondents”); and

WHEREAS, as a result of that investigation, the Deputy Commissioner of Financial Regulation (the “Deputy Commissioner”) found evidence to support that Respondents were engaging in acts or practices constituting a violation of a law, regulation, rule or order over which the Commissioner has jurisdiction, namely that Respondents were violating various provisions of the Annotated Code of Maryland, including the following: Commercial Law Article (“CL”), Title 14, Subtitle 19, (the Maryland Credit Services Businesses Act, hereinafter “MCSBA”); Financial Institutions Article (“FI”), Title 11, Subtitles 2 and 3; and FI, Title 12, Subtitle 9 (the Maryland Debt Management Services Act, hereinafter “MDMSA”); and

WHEREAS, the Deputy Commissioner issued a Summary Order to Cease and Desist (the “Summary Order”) against Respondents on December 23, 2008 after determining that Respondents were in violation of the aforementioned provisions of Maryland law, and that it was in the public interest that Respondents immediately Cease and Desist from engaging in credit services business and debt management service activities with Maryland residents; and

WHEREAS, the Summary Order notified Respondents of, among other things, the following: that Respondents were entitled to a hearing before the Commissioner of Financial Regulation (the “Commissioner”) to determine whether the Summary Order should be vacated, modified, or entered as a final order of the Commissioner; that the Summary Order would be entered as a final order if Respondents did not request a

hearing within 15 days of the receipt of the Summary Order; that as a result of a hearing, or of Respondent's failure to request a hearing, the Commissioner may, in the Commissioner's discretion and in addition to taking any other action authorized by law, enter an order making the Summary Order final, issue penalty orders against Respondents, or take any combination of these actions; that the Commissioner may enter an order requiring that the Respondents refund to Maryland consumers all money and other valuable consideration received by Respondents, their employees, or independent contractors, plus interest, for selling, or attempting to sell, the services of a credit services business without being licensed as required by Maryland law, or for providing or offering to provide debt management services, for which licenses are required by the State of Maryland but not obtained by Respondents; and

WHEREAS, the Summary Order was properly served on Respondent via First Class U.S. Mail and Certified U.S. Mail; and

WHEREAS, Respondent failed to request a hearing on the Summary Order within fifteen (15) days of Respondent's receipt thereof and has not filed a request for a hearing as of the date of this Final Order to Cease and Desist (this "Final Order"); and

WHEREAS, the Commissioner has based his decision in this Final Order on the following determinations:

1. Pursuant to CL § 14-1902 of the MCSBA, "[a] credit services business, its employees, and independent contractors who sell or attempt to sell the services of a credit services business shall not: (1) [r]eceive any money or other valuable consideration from the consumer, unless the credit services business has secured from the Commissioner a license under Title 11, Subtitle 3 of the Financial Institutions Article. . . ."

2. Pursuant to CL § 14-1903(b), “[a] credit services business is required to be licensed under this subtitle and is subject to the licensing, investigatory, enforcement, and penalty provisions of this subtitle and Title 11, Subtitle 3 of the Financial Institutions Article.”

3. Pursuant to FI § 11-302, “[u]nless the person is licensed by the Commissioner, a person may not: . . . (3) [e]ngage in the business of a credit services business as defined under Title 14, Subtitle 19 of the Commercial Law Article.”

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

5. Title 14, Subtitle 19 of the Commercial Law Article defines credit services business at CL § 14-1901(e); this statute provides, in part, as follows:

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

6. CL § 14-1903(a) addresses the scope of credit services contracts covered under the MCSBA, providing as follows:

(a) *In general.* – Notwithstanding any election of law or designation of situs in any contract, this subtitle applies to any contract for credit services if:

(1) The credit services business offers or agrees to sell, provide, or perform any services to a resident of this State;

(2) A resident of this State accepts or makes the offer in this State to purchase the services of the credit services business; or

(3) The credit services business makes any verbal or written solicitation or communication that originates either inside or outside of this State but is received in the State by a resident of this State.

7. CL §§ 14-1901(e) provides, in relevant part, that, unless otherwise exempt, persons who, in exchange for payment of money or other valuable consideration from any source, sell, provide, perform, or represent that they will sell, provide or perform, services to improve a consumer's credit record, history, or rating or establishing a new credit file or record (hereinafter “credit repair services”) for Maryland consumers, or who provide advice or assistance to Maryland consumers regarding such services, fall under the statutory definition of “credit services businesses,” and are thereby subject to the licensing, investigatory, enforcement, and penalty provisions of the MCSBA.

8. Pursuant to FI § 12-901(f) of the MDMSA, “*debt management services*” means “receiving funds periodically from a consumer under an agreement with the consumer for the purpose of distributing the funds among the consumer’s creditors in full or partial payment of the consumer’s debts.” Further, pursuant to FI § 12-901(g), “*debt management services agreement*” means “a written contract, plan, or agreement between a debt management services provider and a consumer for the performance of debt management services.”

9. Pursuant to FI § 12-906, “[a] person may not provide debt management services to consumers unless the person: (1) [i]s licensed by the Commissioner under this subtitle; or (2) [i]s exempt from licensing under this subtitle.”

10. The following relevant and credible evidence, obtained pursuant to OCFR’s investigation, was considered in the issuance of the Summary Order: marketing materials by Respondents; interviews between Respondents and OCFR; Respondents’ standard written contract for “credit repair services” with Maryland residents; interviews between OCFR and Maryland consumers; and the Division’s licensing records. More particularly, this evidence supports the following findings:

a. Respondents sent out mailings to Maryland residents advising that they could help people who were facing foreclosure by, among other things, repairing their credit and providing various other foreclosure-related services. In response to these solicitations, [REDACTED] of [REDACTED] (“Consumer A”) contacted the Respondents.

b. Soon thereafter, on or about June 6, 2007, Consumer A entered into a “Credit Rescore Services Contract” with Respondents, who were doing business as A-1 Credit Solutions. The contract specified that Consumer A had retained A-1 Credit Solutions of 1148 Pulaski Highway, Suite 159, Bear, Delaware 19701 for credit restoration and credit enhancement services. The contract also specified that the Respondents would represent Consumer A in various relationships with banks, credit agencies, collection agencies, the Internal Revenue Services, etc. Pursuant to the contract, Consumer A paid Respondents \$1,050.00 in up-front fees to “complete the credit increase analysis and credit rescore process.”

c. Although Respondents collected \$1,050 in up-front fees from Consumer A, Respondents never performed the services which were promised to Consumer A under the “Credit Rescore Services Contract.”

d. On or about June 7, 2007, Consumer A also entered into a “Foreclosure Consulting Services Contract” with Respondents, at that point doing business as American Mortgage & Credit Solutions. The contract described the services to be provided to Consumer A, which included, but were not limited to, the “receiving [of] money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a lien on a residence in foreclosure.” Consumer A paid Respondents \$6,000 under the terms of the contract.

e. Although Respondents collected \$6,000 from Consumer A, Respondents never performed the services which were promised to Consumer A under the “Foreclosure Consulting Services Contract.”

11. By advertising that they could provide credit repair services, and by offering to enter into contractual agreements with Maryland residents to provide such services, Respondents engaged in credit services business activities. As such, Respondents activities are subject to regulation under the MCSBA, including the Act’s prohibition on engaging in credit services business activities with Maryland consumers without first being duly licensed under the MCSBA.

12. However, Respondents have never been licensed by the Commissioner under the MCSBA, nor are they exempt from licensing. As such, Respondents’ unlicensed credit services business activities involving Maryland residents violate the

licensing provisions of the MCSBA cited above, including CL § 14-1902(1), CL §14-1903(b), FI § 11-302, and FI § 11-303.

13. By stating that they will receive “money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a lien on a residence in foreclosure,” Respondents’ written “Foreclosure Consulting Services Contract” constitutes a debt management services agreement pursuant to FI §§ 12-901(f) and (g). As such, Respondents’ activities are subject to regulation under the MDMSA, including the Act’s prohibition on providing debt management services to Maryland consumers without first being duly licensed under the MDMSA.

14. Respondents have never been licensed by the Commissioner under the MDMSA, nor are they exempt from licensing. As such, Respondents’ unlicensed debt management services activities violates FI § 12-906 of the MDMSA.

NOW, THEREFORE, having determined that Respondents waived their right to a hearing in this matter by failing to request a hearing within the time period specified in the Summary Order, and pursuant CL §§ 14-1902, 14-1907, 14-1912, and FI §§ 2-115(b), 12-916, and 12-928, it is, by the Maryland Commissioner of Financial Regulation, **HEREBY**

ORDERED that the Summary Order to Cease and Desist issued by the Deputy Commissioner against Respondents on December 23, 2008 is entered as a Final Order of the Commissioner, and that Respondents shall permanently **CEASE** and **DESIST** from engaging in any credit repair or other credit services business activities with Maryland residents, and shall permanently **CEASE AND DESIST** from engaging in any debt management services activities with Maryland residents; it is further

ORDERED that, pursuant to FI § 2-115(b), and upon careful consideration of (i) the seriousness of the Respondents' violations; (ii) the lack of good faith of Respondents, (iii) the history and ongoing nature of Respondents' violations; and (iv) the deleterious effect of Respondents' violations on the public and on the credit repair, credit services business, and debt management services industries, Respondents shall pay to the Commissioner a total civil penalty in the amount of **TWO THOUSAND DOLLARS (\$2,000.00)**, which consists of the following:

<i>Prohibited Activity and Violation</i>	Civil Penalty per Violation	x Number of Violations	= Penalty
<i>Unlicensed Activity in Violation of MCSBA</i>	\$1,000	1	\$ 1,000
<i>Unlicensed Activity in Violation of MDMSA</i>	\$1,000	1	\$ 1,000
		TOTAL	\$ 2,000

and it is further,

ORDERED that Respondents shall pay to the Commissioner, by cashier's or certified check made payable to the "Commissioner of Financial Regulation," the amount of **TWO THOUSAND DOLLARS (\$2,000.00)** within fifteen (15) days from the date of this Final Order; and it is further

ORDERED that, pursuant to CL § 14-1907(b), the credit repair agreement which Respondents entered into with Consumer A (termed "Credit Rescore Services Contract")

is void and unenforceable as contrary to the public policy of the State of Maryland; and it is further

ORDERED that, pursuant to FI §§ 12-916(c), the debt management services agreement which Respondents entered into with Consumer A (termed “Foreclosure Consulting Services Contract”) is null and void; and it is further

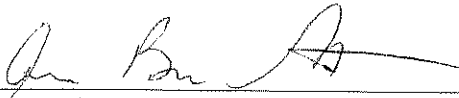
ORDERED that, pursuant to CL §§ 14-1902, 14-1907, 14-1912, and FI §§ 12-916 and 12-928, Respondents shall provide restitution to Consumer A in the total amount of **SEVEN THOUSAND AND FIFTY DOLLARS (\$7,050.00)** (consisting of \$1,050.00 paid by Consumer A under the “Credit Rescore Services Contract,” and \$6,000.00 paid by Consumer A under the “Foreclosure Consulting Services Contract”); and it is further

ORDERED that Respondents shall pay the required restitution to Consumer A within 30 days of this Final Order being signed. Respondents shall make such payment by mailing to Consumer A a check for **SEVEN THOUSAND AND FIFTY DOLLARS (\$7,050.00)** via First Class U.S. Mail to the address for Consumer A listed above. If the mailing of this payment is returned as undeliverable by the U.S. Postal Service, Respondents shall promptly notify the Commissioner in writing for further instructions as to the means of the making of said payment. Upon the making of the required payment, the Respondents shall furnish evidence of having made the payment to the Commissioner within fifteen (15) days, which evidence shall consist of a copy of the front and back of the cancelled check; and it is further

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

Commissioner of Financial Regulation, 500 North Calvert Street, Suite 402, Baltimore,
Maryland 21202, Attn: Carmen Rivera, Paralegal, Enforcement Unit.

3/27/11
Date



Anne Balcer Norton
Deputy Commissioner