

IN THE MATTER OF:

SAVEMTG.COM, LLC d/b/a
SAVEMTG.COM, and

ROBERT BUTLER,

Respondents.

BEFORE THE MARYLAND
COMMISSIONER OF
FINANCIAL REGULATION

Case No.: CFR-FY2009-006

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order ("Agreement") is entered into this 21st day of November, 2011, by and between the Maryland Commissioner of Financial Regulation (the "Commissioner"), and the following: SaveMtg.com, LLC d/b/a SaveMtg.com ("SaveMtg.com"), and Robert Butler, (collectively, the "Respondents"). The Commissioner and Respondents (the "Parties") consent to the entry of this Agreement as a final resolution of this matter. All paragraphs below are intended to be part of the contractual obligations of the Parties hereto, so far as they may be so construed, and are not mere recitals to this Agreement.

1. Pursuant to the Annotated Code of Maryland Commercial Law Article ("CL"), Title 14, Subtitle 19, (the Maryland Credit Services Businesses Act, hereinafter "MCSBA"), and Financial Institutions Article ("FI"), Title 11, Subtitles 2 and 3, the Commissioner is responsible for licensing and regulating, *inter alia*, all residential mortgage loan modification services (a/k/a loss mitigation, foreclosure consulting, and similar services) provided to consumer loans secured by residential real property located in the State of Maryland (the "State").

2. On August 29, 2011, the Commissioner issued a Summary Order to Cease and Desist (the "Summary Order") alleging, in part, that Respondents violated the MCSBA by providing residential loan modification services to Maryland residents without first obtaining a license as required under the MCSBA, all in violation of the MCSBA. This determination was based, in part, on the following facts:

(a). That SaveMtg.com is a Delaware limited liability company, which operated out of offices located in Gaithersburg, Maryland. Further, SaveMtg.com engaged in business activities with Maryland consumers involving Maryland residential real property;

(b). That Robert Butler engaged in business activities with Maryland consumers involving Maryland residential real property. Robert Butler is the owner, director, officer, manager, employee and/or agent for SaveMtg.com;

(c). That Respondents routinely offered or otherwise engaged in direct or indirect loan modification services with Maryland consumers. More specifically, Respondents either directly or indirectly had contact with Maryland consumers to provide such services, and/or acted as third-party vendors/subcontractors directly involved in the loan modification process;

(d). That Respondents provided loan modification services as third-party vendors/subcontractors for, but not limited to, United Legal Services LLC d/b/a United Legal Services, LLC d/b/a United Legal Services ("United Legal Services"), Bryan Scott Malickson, Esquire, and Julia Lynne Schoenfeld, Esquire;

(e). That Bryan Scott Malickson, Esquire, and Julia Lynne Schoenfeld,

Esquire, were minority owners of SaveMtg.com at the time of the alleged violations described in the Summary Order; and

(f). That United Legal Services contracted with at least one hundred and twenty-seven (127) Maryland consumers to provide loan modifications services. Further, as part of those loan modification services agreements, United Legal Services collected upfront fees from most of those Maryland consumers. Respondents were third-party vendors/subcontractors on most, if not all of, United Legal Services loan modification service agreements with Maryland consumers. Respondents processed the loan modification packages as contemplated under the loan modification services agreement for those Maryland consumers. Respondents received a portion of the up-front fees collected by United Legal Services from the Maryland consumers, with Respondents portion generally in excess of fifty percent (50%) of the total up-front fees collected.

3. Respondents admit to the facts stated herein, however, do not admit to the alleged violations set forth above and in the Summary Order. Nonetheless, Respondents wish to resolve the alleged violations without the need for further administrative proceedings or other legal proceedings, and to avoid the costs associated with such proceedings and any potential appeals, and therefore agree to resolve this matter fully, finally, and completely without further administrative proceedings commenced, or an administrative hearing or injunction, and further accept without condition, and fully agrees to abide by, each and every term set forth in this Agreement.

4. The Commissioner desires to ensure that Respondents will comply with all applicable statutes, regulations, and others laws governing Maryland mortgage lending,

brokering, origination, modification, and mitigation, and further wishes to avoid the costs to the taxpayers of an administrative hearing and/or injunction and any potential appeals.

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

a. Respondents will remit \$20,000 in restitution for the benefit of Maryland consumers to be held in escrow in the attorney-client account at Ethridge Quinn Kemp McAuliff Rowan & Hartinger. Payment will be made in two installment payments, with the first payment of five thousand dollars (\$5,000) due within fourteen (14) day after execution and delivery of this Agreement and with the final payment of fifteen thousand dollars (\$15,000) due within three hundred and sixty (360) days from the date of execution and delivery of this Agreement. The Commissioner will inform Respondents' legal counsel, Thomas M. DeGonia, Esquire, of which consumers are to receive restitution, with such payment made by check, made payable to the Maryland consumer(s) at their last known address, or such updated address as can be identified through customary address verification means. If a Maryland consumer fails to cash a check, Respondents agree that those funds will be transferred to the custody of the State Comptroller as "abandoned property" pursuant to Annotated Code of Maryland, Commercial Law Article, Title 17, and shall be administered for the benefit of the Maryland consumer(s) accordingly, however, each check will either be negotiated by the respective Maryland consumer or transferred to the State Comptroller as "abandoned property" within one (1) year and one (1) month from the date of execution of this Agreement;

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

c. Respondents will cease providing any and all residential loan modification services unless and until in full compliance with the MCSBA, and with FI, Title 11, Subtitles 2 and 3. Further, Respondents will not enter into any new agreements to provide loan modification services to Maryland consumers unless licensed under and in full compliance with the MCSBA.

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

7. Respondents acknowledge that they have voluntarily entered into this Agreement with full knowledge of their right to a hearing, arising from any charges brought by the Commissioner based on the alleged violations, pursuant to MCSBA, and FI, Title 11, Subtitles 2 and 3, and the Maryland Administrative Procedures Act (MD. CODE ANN., STATE GOV'T. § 10-201 *et seq.*), and that Respondents hereby waive their right to a hearing. Respondents further acknowledge that they have had an opportunity to consult with independent legal counsel in connection with the waiver of rights and with the negotiation and execution of this Agreement, and that Respondents have either consulted with independent legal counsel or have knowingly and voluntarily elected not to consult with counsel.

8. Respondents represent that they are currently in compliance with all applicable statutes, regulations, and others laws governing Maryland mortgage lending, brokering, origination, modification, and mitigation, and that Respondents will continue to act in compliance at all future times.

9. The Parties hereto agree that this Agreement shall be binding and enforceable in court by the Commissioner and by Respondents, shall be admissible in court, and shall be binding upon and inure to any of Respondents' present and future owners, members, officers, employees, successors, and assigns.

10. The Parties hereto agree that any notices hereunder shall be effectively "delivered" when sent via overnight delivery or certified mail as follows:

a. To the Commissioner:

Commissioner of Financial Regulation
500 North Calvert Street, Suite 402
Baltimore, Maryland 21202-3651
ATTN: Mark Kaufman, Deputy Commissioner

With copy to:
Jedd Bellman, Esquire
Assistant Attorney General
500 North Calvert Street, Suite 406
Baltimore, Maryland 21202-3651

b. To Respondents:

Thomas M. DeGonia
Ethridge Quinn Kemp McAuliff
Rowan & Hartinger
33 Wood Lane
Rockville, Maryland 20850

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

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

ORDERED that Respondents shall operate their business activities in full compliance with all statutes, regulations, and other laws governing mortgage lending, brokering, origination, modification, and mitigation in the State of Maryland, and shall continue to act in full compliance at all future times; and it is further

ORDERED that, in the event Respondents, or any of the owners, principles, directors, officers, managers, members, employees, or agents of the Respondents, violate any provision of this Settlement Agreement and Consent Order, or otherwise engage in the activities which formed the basis for the allegations set forth above, the Commissioner may, at the Commissioner's discretion, take any enforcement actions available under FI § 2-115(b), and under CL §§ 14-1902, 14-1907, 14-1911(f), and 14-1912, as well as take any other enforcement actions as permitted by, and in accordance with, applicable State law; and that such enforcement actions could include an order to cease and desist, civil money penalties of up to \$1,000 for each violation and up to \$5,000 for each subsequent violation, an order to provide restitution of money or property to any aggrieved persons, an action for relief in Maryland Circuit Court, and/or referral for possible criminal prosecution; and it is further

ORDERED that this matter shall be resolved in accordance with the terms of this Settlement Agreement and Consent Order and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

ORDERED that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation and, although the Respondents do not admit to the

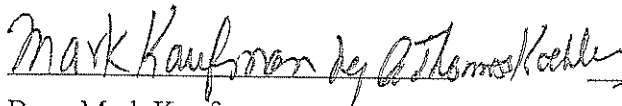
alleged violations set forth above, nevertheless, the Commissioner may consider this Settlement Agreement and Consent Order and the facts set forth herein in connection with, and in deciding, any action or proceeding before the Commissioner; and that this Settlement Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner.

It is so **ORDERED**.

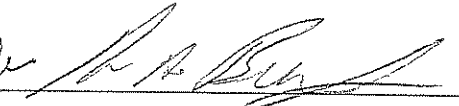
IN WITNESS WHEREOF, this Settlement Agreement and Consent Order is executed on the day and year first above written.

**MARYLAND COMMISSIONER
OF FINANCIAL REGULATION**

**SAVEMTG.COM, LLC
d/b/a SAVEMTG.COM**



By: Mark Kaufman
Commissioner



By: Robert Butler
Owner/President

ROBERT BUTLER



By: Robert Butler
Individually