



## PRESS RELEASE

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### **Consumer Protection Division Charges Jessup Health Club with Failing to Protect Members' Payments**

**BALTIMORE, MD (January 14, 2020)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division filed administrative charges against the owners of the Anytime Fitness health club located at 8160 Washington Boulevard in Jessup, Maryland. The charges against Legacy Fitness Center, Inc. and its owner, Susan Mancho, allege that they are operating the club in violation of Maryland's Health Club Services law and Consumer Protection Act by collecting advance payments from members but failing to post a surety bond with the Division in an amount sufficient to protect those advance payments.

Maryland's Health Club Services law requires health clubs, self-defense schools, and weight loss centers in Maryland to register annually with the Consumer Protection Division. Those businesses that collect more than three month's payment in advance from members, including by charging any annual fees, must also provide the Division with a surety bond, letter of credit, or cash deposit in an amount sufficient to reimburse consumers in the event they were to close. The business is required to provide the Division with an annual certified public accountant (CPA) report documenting the amount of the bond they are required to post.

"Health clubs that take consumers' money for future services must provide security for those upfront payments by posting a bond," said Attorney General Frosh.

The charges allege that Legacy Fitness and Mancho charge members an annual "enhancement fee," but failed to replace a \$50,000 surety bond that was canceled and to provide the required CPA report documenting that the \$50,000 bond was adequate to protect members. The charges seek an order requiring Legacy Fitness and Mancho to cease and desist from violating the law and pay restitution, civil penalties, and costs based on their violations. A hearing on the charges is scheduled for January 30, 2020, beginning at 10:00 a.m. at the Office of Administrative Hearings in Hunt Valley, Maryland.

Attorney General Frosh encourages consumers who are considering joining a health club, weight loss center, or self-defense school to contact the Health Club Registration Unit in his Consumer Protection Division at 410-576-6350 to find out whether the club is registered and bonded. More information about joining a health club may be found on the Attorney General's website at <http://www.marylandattorneygeneral.gov/Pages/CPD/Healthclub/default.aspx>.



## PRESS RELEASE

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### **Attorney General Frosh Announces Settlement with Dentistry Practice in Laurel**

#### ***Settlement Resolves Allegations that Practice Billed for Amounts Not Owed***

**BALTIMORE, MD (January 22, 2020)** – Maryland Attorney General Brian E. Frosh today announced a [settlement](#) with Batz-Weiner Lake Dental, a dental practice in Laurel, to resolve allegations of violations of the Consumer Protection Act. The Consumer Protection Division alleged that the dental practice overbilled consumers and did not provide them with accurate information about expected charges.

The Consumer Protection Division claimed that the practice failed to submit timely and accurate insurance claims, and then billed consumers for amounts that would have been covered by insurance had claims been properly submitted; failed to account for payments received, resulting in sending bills for amounts that had already been paid; provided pre-treatment estimates that did not include all anticipated charges; failed to tell patients that services would be provided by individuals who were not in-network with the consumer's insurance plan; and engaged in other violations of the Consumer Protection Act.

“Today's settlement will help prevent overbilling of patients and allow patients to make informed decisions about their own dental care and treatment,” said Attorney General Frosh.

Under the settlement, Batz-Weiner will waive all currently outstanding charges for services provided from January 1, 2014, through March 3, 2016. It will also notify consumers who may have been overcharged that they may request a review of their accounts. Batz-Weiner will pay \$48,000 in penalties and investigative costs and make changes to its billing process intended to prevent billing errors in the future, including: employing a qualified third-party biller or ensuring that its staff is trained in billing and coding; not seeking to collect from consumers while insurance claims are pending; providing timely bills to consumers that specify the dates, services rendered, and insurance payment information; providing accurate pre-treatment estimates, including all follow up-exams and imaging; and notifying consumers when making appointments and again before treatment is rendered if the practitioner with whom they are scheduled does not participate in the consumer's insurance plan.

Anyone who believes they may have been overcharged by Batz-Weiner Lake Dental may contact the Consumer Protection Division, Health Education and Advocacy Unit, at 410-528-1840 or 1-877-261-8807, by email at [heau@oag.state.md.us](mailto:heau@oag.state.md.us), or by writing to Office of the Attorney General, Health Education and Advocacy Unit, 200 St. Paul Place, Baltimore, MD 21202.



## PRESS RELEASE

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### **Attorney General Frosh Seeks Loan Discharge for Students of Closed Dream Center Schools** *Joins Bipartisan Coalition of Attorneys General Requesting Federal Student Loan Discharge to All Former Dream Center Students*

**BALTIMORE, MD (February 4, 2020)** – Maryland Attorney General Brian E. Frosh today joined a bipartisan coalition of 26 attorneys general in [renewing their request](#) that U.S. Department of Education Secretary Betsy DeVos use her authority to discharge the federal student loans of all students who were enrolled in now-closed schools operated by Dream Center Education Holdings, LLC. Dream Center enrolled Marylanders in online programs through its Argosy University and Art Institute brands.

“Many Maryland students are victims of the Dream Center’s poor management, violations of federal and state laws, and failure to comply with accreditors. Yet, these students are not eligible for loan discharges under Secretary DeVos’ current plan,” said Attorney General Frosh. “We are renewing our request to Secretary DeVos to provide relief to thousands of former students who have suffered because of the Dream Center’s misconduct.”

Dream Center, a California-based nonprofit, went into receivership in January 2019. Under the federal “closed school discharge” regulation, former students may be eligible for a 100 percent discharge of their federal student loans if they were unable to complete their program because their school closed. Closed school discharge is only allowed for students who were enrolled at the time the school closed, were on an approved leave of absence when the school closed, or withdrew within 120 days of the school’s closure, unless the Secretary of Education approves a longer period.

In a [letter](#) to Secretary DeVos in October 2019, Attorney General Frosh joined a bipartisan coalition of attorneys general in asking the Secretary to exercise her legal authority to expand the group of students eligible for “closed school discharge” in order to account for Dream Center’s extraordinary misconduct and mismanagement. In November 2019, Secretary DeVos announced that she would extend the closed school discharge only for a very small number of former Dream Center students who were not previously eligible, an extension that provided no additional debt relief for Maryland students who attended an online program with Argosy or the Art Institute.

In today’s letter, the coalition urges the Secretary to go further and provide debt relief to all Dream Center students unfairly strapped with burdensome debt for which they have little to show. The coalition again outlined Dream Center’s misconduct and mismanagement that

prevented students from obtaining degrees and unfairly left them to repay federal student loan debt that they contracted to attend the failed schools.

In addition to Attorney General Frosh, today's letter was signed by the attorneys general of California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Idaho, Illinois, Iowa, Maine, Massachusetts, Michigan, New Jersey, New Mexico, Minnesota, New York, North Carolina, Oregon, Pennsylvania, South Dakota, Tennessee, Vermont, Virginia, Washington, and Wisconsin.



## PRESS RELEASE

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### **Predatory Lender Offering “Vehicle Title Pawns” Ordered to Pay More Than \$2.2 Million to Maryland Consumers** *Cash-N-Go and its Owner, Brent M. Jackson, Made Unlicensed, Usurious Loans Targeting Consumers in Financial Distress*

**BALTIMORE, MD (February 21, 2020)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has issued a [Final Order](#) against Cash-N-Go, Inc., Brent M. Jackson, and related businesses owned and operated by Jackson under the “Cash-N-Go” name for making unlicensed and usurious consumer loans. Although Cash-N-Go claimed that they were entering into pawn transactions with consumers, the Division found that Cash-N-Go was instead making illegal consumer loans with interest rates of 360%.

The Final Order issued by the Division directs that all of Cash-N-Go’s loans to Maryland consumers are void and unenforceable. Cash-N-Go is prohibited from collecting any money related to these loans, and any security interest or any liens that it took on consumers’ vehicles are now void and unenforceable. Cash-N-Go is also prohibited from repossessing consumers’ motor vehicles, and the company must return any repossessed motor vehicles still in its possession to the vehicle’s owner. The Final Order further directs Cash-N-Go to permanently cease engaging in unlicensed lending activities in Maryland, and it requires Cash-N-Go to pay over \$ 2.2 million in restitution to Maryland consumers and a \$1,200,750 penalty to the State of Maryland.

Jackson and his companies - which include Cash-N-Go, Inc.; Cash-N-Go Pawnbrokers, LLC; and Cash-N-Go Pawnbrokers, Inc. - offered consumers short-term, high-interest loans secured by the consumer’s motor vehicle, under the guise of being pawn transactions. Cash-N-Go would keep the title to the vehicle, and if the consumer failed to make a payment on the loan, the vehicle could be repossessed and sold. Such “title loans” or “title pawns” are actually consumer loans under Maryland law and are subject to Maryland’s consumer loan licensing requirements and interest rate caps. However, Jackson and his companies were never licensed by the Maryland Commissioner of Financial Regulation to make consumer loans in Maryland, and their loans charged interest more than 10 times the state’s maximum legal rate of interest for consumer loans - 33%.

“The Cash-N-Go companies and their owner, Brent Jackson, preyed on Maryland consumers in financial distress,” said Attorney General Frosh. “Jackson victimized vulnerable people for his personal financial benefit. He made predatory loans. He illegally repossessed cars that

consumers depended on for work, for doctors appointments and for transporting their kids. This Order bars Jackson and Cash-N-Go from harming other Maryland consumers.”

Although Cash-N-Go can continue to act as a check cashing business or a pawn broker, Cash-N-Go may not collect money from consumers on its title loans. The Division found that at least 1,601 Maryland consumers were victimized by Cash-N-Go’s predatory lending activities, warranting that Cash-N-Go and Jackson pay at least \$2,200,000 in restitution related to the fees and payments that they collected from Maryland consumers on these illegal loans, as well as the amounts that Cash-N-Go received in connection with repossessing or selling consumers’ motor vehicles. [Order can be seen here.](#)



## CONSUMER ALERT

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### **Beware of Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Scams and Fraud**

On March 27, 2020, the federal government passed the CARES Act, which aims to provide financial relief to individuals and businesses affected by the COVID-19 coronavirus pandemic here in the United States. Key provisions of the Act include direct payments to some individuals, based on income (a “stimulus check”); extended unemployment benefits; small business relief; no-cost testing for COVID-19; and more.

However, along with the Act comes a higher likelihood of scams and fraud schemes taking advantage of people unfamiliar with how these benefits work. Please take note of the information below to protect yourself against scams.

- Neither the State of Maryland nor the federal government will contact you by text, email, or call with instructions about receiving a stimulus check. Anything like that is likely just a ruse to steal your personal information or money. Any communication claiming to be able to get your stimulus check early is also a scam.
- Anyone who calls claiming to be from the government and asks for your Social Security number or any financial information (bank account number or credit card number, for example) is trying to scam you.
- You will NOT need to pay any money to the government, or anyone, before receiving a stimulus check.
- You do NOT need to complete the U.S. 2020 Census in order to receive a stimulus check.
- If you have questions about stimulus payments to individuals, communicate directly only with the IRS. More information is available at [www.irs.gov/coronavirus](http://www.irs.gov/coronavirus).
- COVID-19 virus testing is always free, but it MUST be carried out by a qualified health care entity, such as your doctor or a hospital. Anyone claiming that they can sell you an at-home test is a fraudster.
- The federal Small Business Administration does NOT directly administer loans to small businesses. It backs other lenders (such as banks) to provide these loans to businesses. Any unsolicited contact from someone claiming to be able to get your business an SBA loan is a scammer.

“Scammers are hard at work trying to come up with ways to steal your personal information or money. Don’t fall for it,” said Attorney General Frosh. “If you need help determining whether something is a scam, our Consumer Protection Division can assist you. Call us at 410-528-8662 or email [consumer@oag.state.md.us](mailto:consumer@oag.state.md.us).”



## Press Release

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### **Attorney General Frosh Joins Multistate Coalition Fighting to Protect Consumer Credit During Coronavirus Pandemic**

**BALTIMORE, MD (April 28, 2020)** – Maryland Attorney General Brian E. Frosh today joined a coalition of 22 attorneys general warning the nation’s three Consumer Reporting Agencies (CRAs) that, as Americans continue to struggle from the economic fallout of the COVID-19 public health crisis, they will not hesitate to enforce safeguards set in place to ensure consumers’ credit is properly protected and that their credit reports are fairly and accurately reported.

In a [letter](#) to Experian Information Solutions, Inc.; Equifax Information Services, LLC; and TransUnion LCC, the coalition outlines their commitment to enforcing the consumer credit protections outlined in the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed last month, as well as in the Fair Credit Reporting Act (FCRA), despite the federal government’s failure to commit to enforcing these protections. The letter emphasizes that the coalition will continue to actively monitor and enforce compliance during the COVID-19 crisis and will hold the CRAs accountable for failure to meet their obligations.

“The CARES Act makes clear that consumers can receive assistance from the federal government without it becoming a stain on their credit. CRAs must honor the consumer protections in the CARES Act. If they fail to do so, our office will enforce the law to protect the Marylanders who have suffered during this crisis,” said Attorney General Frosh.

In March 2020, Congress enacted the CARES Act to extend relief to struggling consumers, including an amendment to the FCRA enabling consumers to obtain CARES Act relief without incurring lasting harm to their credit scores. To prevent such harm, the CARES Act requires furnishers to report a credit obligation as “current” if the obligation was current prior to the grant of a CARES Act accommodation. The FCRA also protects consumers by requiring CRAs to promptly investigate when consumers dispute the accuracy of information on their credit report. But under the Trump administration, the Consumer Financial Protection Bureau recently issued guidance indicating it will not enforce certain requirements of the FCRA during the COVID-19 crisis.

In today’s letter, the coalition warned the three CRAs that if the federal government is not protecting consumers, each state will enforce the requirements of the FCRA and individual agreements between CRAs and states to conduct meaningful and timely investigations of consumer disputes of credit information.



“This CARES Act provision is critically important both to individual consumers and to the overall recovery of the economy because it ensures that consumers obtain essential relief without jeopardizing their future ability to secure employment, rent or buy a home, obtain a credit card, or purchase a car,” the attorneys general write in their letter. “The state attorneys general expect compliance with this vital provision of the CARES Act, and we will actively monitor for and enforce such compliance.”

The coalition urges CRAs to meet their obligations under the law to protect consumers against incorrect information in their credit reports, which could prevent them from undertaking activities they would have been able to do before the COVID-19 pandemic began.

Today’s letter follows a letter the coalition sent to the Consumer Financial Protection Bureau on April 13, urging the agency to rescind its announcement that it would not enforce certain provisions of the CARES Act and the FCRA.

Joining Attorney General Frosh in signing today’s letter are the attorneys general of California, Colorado, Delaware, the District of Columbia, Hawaii, Illinois, Iowa, Maine, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, Rhode Island, Virginia, Washington, and Wisconsin.



## Press Release

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### **ADVISORY: Stimulus Payments Provided by CARES Act Cannot Be Seized by Debt Collectors or Creditors**

**BALTIMORE, MD (April 30, 2020)** - Maryland Attorney General Brian E. Frosh today issued an Advisory about stimulus payments being issued to Maryland residents as part of the federal Coronavirus Aid, Relief and Economic Security (CARES) Act. On April 29, 2020, the Governor issued [Executive Order 20-04-29-03](#) prohibiting financial institutions from garnishing this financial assistance, except as related to child support.

The CARES Act provides cash assistance to individuals and families subject to certain eligibility criteria. Specifically, the Act provides for a one-time cash payment in the form of a refundable tax credit in the amount of \$1,200 for each eligible individual and \$2,400 for eligible individuals filing a joint return, plus an additional \$500 for each dependent child. Individuals with higher incomes will receive a smaller payment or no payment.

The payments under the CARES Act are intended to be emergency support for the basic needs of tens of millions of Americans, such as paying for rent, mortgages, and food. Therefore, the CARES Act exempts the stimulus payments from collection for debts owed to state and federal governments.

The Governor's Executive Order also prohibits garnishment of the payments (except as related to child support) and prohibits Maryland banks and credit unions from using stimulus payments to offset debts. The stimulus payments are to be treated as protected payments, similar to other benefit payments provided to Maryland residents for essential needs.

Violations of the Executive Order are a violation of Maryland's Debt Collection Practices Act and Consumer Protection Act and are subject to enforcement and penalties. Under the Maryland Debt Collection Practices Act, it is illegal for a person collecting a consumer debt to "[c]laim, attempt, or threaten to enforce a right with knowledge that the right does not exist." The Consumer Protection Act also prohibits any unfair, abusive, or deceptive practices in the collection of consumer debts. A person violating the Consumer Protection Act is subject to paying injunctive relief, restitution, and civil penalties of up to \$10,000.00 per violation.



## PRESS RELEASE

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### **Attorney General Frosh Urges Stronger Industry Response to Illegal Robocalls** *Bipartisan Coalition Sends USTelecom Letter Outlining Plan to Strengthen Illegal Robocall Enforcement*

**BALTIMORE, MD (May 4, 2020)** – Maryland Attorney General Brian E. Frosh today joined a bipartisan coalition of 52 attorneys general in calling on USTelecom, the leading organization representing telecommunications provider, and its Industry Traceback Group (ITG) to continue its collaboration with state attorneys general by bolstering technological capabilities to improve enforcement against illegal robocallers.

[The letter](#) asks USTelecom to advance the ITG’s abilities in identifying robocall campaigns, trends and business ecosystems; conducting automated traceback investigations; and coordinating with relevant law enforcement agencies.

“Robocallers continue to harass Americans every day, and many of them are just trying to scam unsuspecting consumers or steal their identity,” said Attorney General Frosh. “We hope that USTelecom will consider the coalition’s suggestions to continue—and improve—efforts to combat the onslaught of irritating robocalls.”

The coalition’s letter follows a January 2020 meeting in Washington, D.C., with representatives from state attorneys general offices, federal agencies, and the telecom industry. Some priorities developed at that meeting, and reiterated in today’s letter, include:

- Automating and increasing the total volume of traceback investigations;
- Alerting relevant law enforcement agencies of suspected illegal robocall campaigns;
- Enabling law enforcement agencies to electronically upload and receive responses to subpoenas and civil investigative demands, and providing swift response to those requests; and
- Identifying noncooperative Voice Service Providers, including those that don’t participate in the traceback process, repeatedly originate or accept illegal robocalls, or repeatedly fail to provide sufficient records.

The coalition believes these measures would strengthen the partnership between the USTelecom-backed ITG and attorneys general, a relationship that led to the creation of the [Anti-Robocall Principles](#). Those principles were established in August 2019 when 51 attorneys general and 12

major telecom providers took aim at reducing the number of unwanted and illegal robocalls reaching the American people.

More recently, due in part to the support from the telecommunications industry and state attorneys general, the federal Telephone Robocall Abuse Criminal Enforcement and Deterrence (TRACED) Act was signed into law. This law enables the industry to develop call-authentication protocols to combat caller-ID spoofing and implement other sweeping anti-robocall measures.

In addition to Attorney General Frosh, the letter was signed by the attorneys general of Alabama, Alaska, American Samoa, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.



## PRESS RELEASE

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### **Attorney General Frosh Obtains Temporary Restraining Order Against Dentist for Failing to Provide Patient Medical Records** *Neil R. Woods, D.D.S. Abruptly Closed Dental Practice, Allegedly Failed to Provide Patients Notice and Access to Medical Records*

**BALTIMORE, MD (May 15, 2020)** – Maryland Attorney General Brian E. Frosh today announced that his Consumer Protection Division has obtained a court order requiring Dr. Neil R. Woods, D.D.S., and his corporation, Neil R. Woods, D.D.S., P.A., to protect and provide his former patients access to their dental records. In a complaint filed in the Circuit Court for Anne Arundel County, the Division alleged Dr. Woods failed to provide his patients with proper notice and access to their medical records after abruptly closing his dental practice, Severna Park Dentistry.

In late 2019 or early 2020, Dr. Woods closed Severna Park Dentistry, without notice to patients, and subsequently surrendered his dental license. The Division alleges that since the office’s closure, patients have not been able to reach anyone associated with the dental practice, and thus have been unable to obtain their records in order to transition their dental treatment to new dentists, obtain reimbursement from their insurance carriers, and, in some cases, contest their repayment obligations for financed services that were not provided or completed. The Division has also alleged that Dr. Woods is in the process of being evicted from his office, which threatens the security of patients’ records.

“Health care providers are obligated under Maryland law to preserve, secure, and allow patients access to their personal medical records,” said Attorney General Frosh. “This is especially important when the provider’s office closes unexpectedly and abruptly.”

The Division alleges that Dr. Woods’ conduct violates both the Maryland Consumer Protection Act and the Maryland Personal Information Protection Act. The Division’s Complaint seeks injunctive relief to ensure that Dr. Woods 1) provides notice to his former patients of the practice’s closure and 2) complies with his existing obligations under Maryland law to maintain, secure, and provide access to patient records upon authorized request.

The Court’s temporary restraining order against Dr. Woods requires him to, among other things, post notice at his former office with a contact phone number and email address for patients to request copies of their records. Dr. Woods must also provide medical records to anyone who previously requested copies of their records, as well as anyone who seeks copies of their records

after the date of the temporary restraining order. A hearing on the Division's motion for a preliminary injunction has been scheduled for May 22.

Consumers with complaints against Neil R. Woods, D.D.S., Neil R. Woods, D.D.S., P.A., or Severna Park Dentistry may call the Consumer Protection Division at 410-528-1840, file a complaint online at [www.marylandcares.org](http://www.marylandcares.org), or write to the Consumer Protection Division at 200 St. Paul Place, 16<sup>th</sup> Floor, Baltimore, MD 21202.



## PRESS RELEASE

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### **Attorney General Frosh Announces \$550 Million Settlement with Subprime Auto Financing Company Santander Consumer USA Inc.**

**BALTIMORE, MD (May 19, 2020)** – Maryland Attorney General Brian E. Frosh today announced a multistate settlement with Santander Consumer USA Inc. (Santander) that includes more than \$500 million in relief for consumers. The settlement resolves allegations that Santander violated consumer protection laws by exposing subprime consumers to unnecessarily high levels of risk by placing them into auto loans that Santander had determined had a high probability of default. Today’s settlement stems from a multistate investigation of Santander’s subprime lending practices led by a six-state executive committee comprising Maryland, California, Illinois, New Jersey, Oregon and Washington, and included attorneys general from a total of 34 states.

“We charged that Santander structured auto loans it knew borrowers likely could not repay,” said Attorney General Frosh. “Borrowers who were harmed by Santander’s practices will receive restitution with this settlement. The settlement establishes safeguards to prevent further harm to consumers in Maryland and across the country from these types of lending practices.”

The attorneys general allege that Santander, through its use of sophisticated credit scoring models to forecast default risk, knew that certain consumers were predicted to have a high likelihood of default. Santander exposed these borrowers to unnecessarily high levels of risk through high loan-to-value ratios, significant back-end fees, and high payment-to-income ratios. The attorneys general also allege that Santander’s aggressive pursuit of market share led it to underestimate the risk associated with loans by turning a blind eye to dealer abuse and failing to meaningfully monitor dealer behavior to minimize the risk of receiving falsified information, including the amounts specified for consumers’ incomes and expenses. Finally, the attorneys general allege that Santander engaged in deceptive servicing practices, including misleading consumers about their rights, and the risks of loan extensions.

Under the settlement, Santander is required to provide relief to consumers and, moving forward, is required to factor a consumer’s ability to pay the loan into its underwriting. Santander will pay \$65 million for restitution for certain subprime consumers in the participating 34 states who defaulted on loans between January 1, 2010, and December 31, 2019. More than 9,000 Maryland consumers are eligible to receive restitution payments, for a combined total of over \$2.2 million. For consumers with the lowest quality loans who defaulted but have not yet had their cars repossessed, Santander is required to allow them to keep their cars and waive any deficiency balances on the loans, until such relief has a total value of \$45 million in loan

balances. The settlement also requires Santander to waive the deficiency balances on certain loans currently owned by Santander, totaling approximately \$433 million in loan forgiveness. More than 1,000 Maryland consumers will receive these deficiency waivers, for a combined total of over \$13.7 million. Santander also must try to buy back certain loans it no longer owns, in order to waive those loan deficiencies as well. Santander will pay up to \$2 million for the settlement administrator who will manage restitution claims, and pay an additional \$5 million to the states.

Among specific long- and short-term requirements of the settlement, Santander:

- Cannot extend financing if a consumer has zero or negative residual income after taking into account all of the consumer's actual monthly debt obligations;
- For the next four years, test all loans that default to see if the consumer, at the time of origination, had zero or negative residual income (if consumer does have zero or negative income and the loan default occurred within a certain amount of time, Santander is required to waive the loan deficiency);
- Is barred from requiring dealers to sell ancillary products, such as vehicle service contracts and Guaranteed Asset Protection (GAP) products;
- Must implement steps to monitor dealers who engage in income inflation, expense inflation, power booking, and enact additional documentation requirements for those dealers;
- Must, when using a default mortgage or rent payment value, use an amount that reasonably reflects such costs for the consumer's geographic area; and
- Must maintain policies and procedures for deferments, forbearances, modifications, and other servicing matters that all employees must follow.

Joining Attorney Frosh in the settlement are the attorneys general of Arizona, Arkansas, California, Connecticut, the District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Virginia, Washington, West Virginia, and Wyoming.

Consumers with questions about this settlement may call the Consumer Protection Division at 410-528-8662 or write to: Consumer Protection Division, 200 St. Paul Place, 16<sup>th</sup> Floor, Baltimore, MD 21202.





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### **Attorney General Frosh Files Charges Against Baltimore County Appliance Repair Company** *Charges Against AllStar Repair Include Taking Advanced Payment for Repair Parts, but Failing to Complete Repairs and Refusing Refunds*

**BALTIMORE, MD (May 19, 2020)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has filed charges against AllStar Appliance Repair, based in Baltimore County, and its owner, Eric Paul Solomon, for collecting advance payment from consumers for appliance repair services, but failing to provide the promised goods or services, and failing to provide refunds.

The charges allege that AllStar frequently told consumers that additional parts were necessary to complete repairs, and demanded full or partial payment for those parts up front. After collecting deposits that ranged into the hundreds of dollars, AllStar allegedly failed to complete the promised repairs and failed to respond to consumers calls, texts, and messages. According to the Statement of Charges, when AllStar did schedule times to complete repairs, it often failed to show up for the appointments, leaving consumers waiting. The Division further alleged that in some instances when the company did attempt to complete a repair, it told consumers that it offered warranties for the repairs. However, when the repairs failed to fix consumers' problems, AllStar allegedly failed to honor the warranties and did not provide refunds.

“Consumers should beware of contractors who demand full payment up front,” said Attorney General Frosh. “Consumers who pay in advance are absolutely entitled to get the goods and services they paid for—or a full refund.”

The charges against AllStar allege unfair and deceptive trade practices that violate Maryland's Consumer Protection Act. The Division is seeking an order that would permanently prohibit AllStar and Solomon from committing further violations of law, as well as an order requiring them to pay restitution to consumers harmed by their alleged unfair and deceptive practices. The charges also seek to impose civil penalties for the alleged violations of the Consumer Protection Act.

Attorney General Frosh urges consumers to check reviews and seek out recommendations from people they trust before hiring contractors. Consumers with complaints against AllStar Appliance Repair or Eric Paul Solomon may call the Consumer Protection Division at 410-576-6569, file a complaint online at [www.marylandattorneygeneral.gov](http://www.marylandattorneygeneral.gov), or write to the Consumer Protection Division at 200 St. Paul Place, 16<sup>th</sup> Floor, Baltimore, Maryland 21202.



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### **Attorney General Frosh Announces Settlement with Maryland- Based Mid Atlantic Water** *Carroll County Online Retailer Will Pay Restitution and Penalties for Failing to Ship Purchased Goods*

**BALTIMORE, MD (May 20, 2020)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has entered into a settlement resolving an investigation into Mid Atlantic Water, an online retailer based in Carroll County, specializing in the sale of water filtration equipment, and its owner, Aidan Walsh.

The Consumer Protection Division alleged that Mid Atlantic Water and Walsh accepted payments in over two hundred instances for water filtration equipment that they failed to deliver to their customers. Mid Atlantic then failed to accept their consumers' cancellation and refund requests.

The settlement requires Mid Atlantic Water and Walsh 1) to stop selling goods that they cannot provide within a reasonable time; 2) to pay back all monies that they collected from consumers for goods that were not delivered; and 3) to pay penalties to the Division in the amount of \$100,000.00, which may be reduced to \$20,000 if they make full refunds to all harmed consumers and otherwise fully comply with their obligations under the settlement.

“Mid Atlantic’s conduct was unacceptable on many levels,” said Attorney General Frosh. “This settlement ensures that customers who did not receive their purchased goods from Mid Atlantic Water will receive refunds.”

Consumers who are owed refunds from Mid Atlantic Water may call the Consumer Protection hotline at 410-528-8662 or 888-743-0023 (toll-free).



## PRESS RELEASE

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### **Attorney General Frosh Urges the FCC to Help Law Enforcement Expose Illegal Robocallers**

**BALTIMORE, MD (June 4, 2020)** – Maryland Attorney General Brian E. Frosh, along with the State Attorneys General Robocall Working Group, today [encouraged the Federal Communications Commission \(FCC\)](#) to facilitate continued collaboration among state attorneys general and telecom companies to coordinate tracing back illegal robocalls to their source.

Under the Telephone Robocall Abuse Criminal Enforcement and Deterrence (TRACED) Act, which became law in December 2019, the FCC will select a single registered association to manage the work to trace back illegal robocalls. Because a call can pass through the networks of many telecom companies before reaching its final destination, tracing that call—which is key to enforcing laws against illegal robocallers—requires collaboration among telecom companies and state attorneys general. In their comments, the states note that traceback investigations are necessary for law enforcement to more efficiently identify and investigate illegal robocallers and expose voice service providers that assist and facilitate illegal robocallers.

For the last few years, state attorneys general have encouraged the telecom industry to increase the number and speed of traceback investigations each month. Many telecom companies have joined this effort and are working hard to stop illegal robocallers. Traceback investigations are more urgent than ever because of coronavirus-related robocall scams, including scams related to coronavirus relief checks, pitches for coronavirus test kits, health plans offering coronavirus testing, work-from-home offers preying on job-seekers, and scams offering relief on utility bills, student loans, taxes, or other debt.

“Scammers are using the COVID-19 crisis to defraud, intimidate, or frighten people into giving them money or personal information, often utilizing illegal robocalls to find new victims,” said Attorney General Frosh. “The FCC must step up its efforts to protect consumers. Bringing together the telecom industry and law enforcement can make a difference in tracing those responsible for these robocalls.”

In 2019, Attorney General Frosh joined a bipartisan, public/private coalition of 51 attorneys general and 12 phone companies to create a joint doctrine of eight principles—including cooperation with law enforcement in traceback investigations—to help protect phone users from illegal robocalls and make it easier for attorneys general to investigate and prosecute lawbreakers.

Attorney General Frosh is joined in submitting today's comments by the attorneys general of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, the District of Columbia, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.



## PRESS RELEASE

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### **Consumer Advisory: Reopened Dental Practices Could be Violating the Consumer Protection Act by Charging Consumers for Enhanced Infection Controls**

**BALTIMORE, MD (June 12, 2020)** - Maryland Attorney General Brian E. Frosh is alerting consumers to surcharges by some dental providers that could violate the Consumer Protection Act. Dentists may once again provide elective and non-urgent care if they comply with the Secretary of Health's May 6, 2020 Order requiring enhanced infection controls, but some providers may be improperly imposing additional fees.

"Consumers have notified us that some reopened practices are collecting additional, upfront amounts for the costs of enhanced infection controls, including personal protective equipment," said Attorney General Frosh. "Many dental insurance agreements prohibit certain upfront fees and consumers should be aware that this practice may violate the Consumer Protection Act."

Complaints have generally referenced fees in the range of \$10 - \$20 per visit, but the Office has also heard anecdotally about charges as high as \$172.

Attorney General Frosh's Consumer Protection Division also sent a [letter](#) today to the Maryland State Board of Dental Examiners and the Maryland State Dental Association alerting the dental provider community to the Office's position that imposing additional fees, particularly those charged upfront to all patients, may violate the Consumer Protection Act's prohibition against unfair or deceptive trade practices. Provider-carrier contracts, as well as public and private insurance laws, typically prohibit participating providers from charging such fees to insured consumers.

In the letter, the Division acknowledged that during this emergency, many consumers and dental providers are facing financial challenges, stating, "Maryland's unemployment rate officially reached 9.9% at the end of April due to the COVID-19 emergency, and consumers are contending with losses of income and benefits that are devastating to them. Our office has little doubt that the dental provider community is also facing financial challenges but trust you will work with us to protect consumers as our laws intend so they may be able to afford the dental care they need."

Consumers may contact the Attorney General's Health Education and Advocacy Unit (HEAU) with questions or complaints. The HEAU will investigate the complaint and mediate a billing dispute with the dental provider. Complaints may be filed at

[www.MarylandCares.org](http://www.MarylandCares.org). Consumers may also call the HEAU hotline at 410-528-1840, 410-230-1712 (en Español), or email [HEAU@oag.state.md.us](mailto:HEAU@oag.state.md.us).



## PRESS RELEASE

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### **Attorney General Frosh Announces Charges Against Cricket Wireless and AT&T for Deceptive Marketing Practices**

**BALTIMORE, MD (June 15, 2020)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has filed charges against Cricket Wireless, LLC and AT&T, Inc. for violations of the Maryland Consumer Protection Act.

Among other charges, Cricket and AT&T failed to inform consumers that the cell phones they purchased would no longer work when Cricket switched cell phone networks after its merger with AT&T. After the merger, Cricket’s customers were switched to a network that used different technology to provide its cellular service.

The Division alleges that in the year before the merger, Cricket sold phones to consumers that the company knew would not work on the new network, a fact it did not disclose to its customers. Many of the phones were also “locked” to Cricket’s network, meaning that the consumers could not use them with another carrier without meeting certain conditions for Cricket to “unlock” them. Following the merger, Cricket and AT&T continued to sell phones that would not work on AT&T’s network without adequately informing their customers they would need to replace their phones.

Because of these alleged practices, consumers unwittingly spent significant amounts of money on cell phones that were locked to the old Cricket network but would not work on the new Cricket network. Consumers were subsequently required to buy replacement phones, even if their existing phones were relatively new.

“Cricket and AT&T continued to market and sell a product to consumers they knew wouldn’t work after their merger was complete,” said Attorney General Frosh. “This practice, we allege, was undertaken to maximize profit from the sale of expensive smartphones without regard for the harm it would cause consumers.”

The Division is seeking restitution, an injunction preventing Cricket and AT&T from engaging in unfair or deceptive trade practices, as well as civil penalties and costs.

A hearing on the Division’s charges is scheduled for Wednesday, September 9, 2020, at the Office of Administrative Hearings in Hunt Valley, Maryland. For more information, consumers may call the Consumer Protection Division hotline at 410-528-8662 or toll free at 888-743-0023.



## PRESS RELEASE

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### **Attorney General Frosh Announces Settlement with Ticketmaster *Ticketmaster Agrees to Refund Service Fees Improperly Charged in Connection with Sale of Tickets for Hippodrome Theatre***

**BALTIMORE, MD (June 18, 2020)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has entered into a [settlement](#) resolving an investigation into Ticketmaster’s improperly charging consumers service fees in connection with sale of tickets for events at the Hippodrome Theatre in Baltimore, Maryland.

Ticketmaster, a subsidiary of Live Nation Entertainment, Inc., operates a website through which it manages ticket sales for live entertainment and events throughout the United States and abroad. Typically, Ticketmaster charges consumers a service fee on top of the listed price for an event ticket. However, when the Hippodrome Theatre changed its sales model to require all fees be included in the listed price of its tickets, Ticketmaster’s policy enabled it to continue charging service fees for the secondary sale of tickets (i.e., resales by original ticket purchasers on the Ticketmaster website).

After the Hippodrome instituted its new policy, Ticketmaster added a disclosure stating that consumers purchasing tickets for events at the Hippodrome would not pay additional fees. Ticketmaster did not charge additional service fees above those reflected in the ticket price for individuals who bought primary sales tickets. However, consumers who purchased tickets through secondary resales erroneously received the same disclosure, yet were still charged a fee as high as \$31 per ticket. As many as 4,176 consumers who purchased resale tickets were charged this service fee despite the disclosure. Under the settlement reached with the Attorney General, Ticketmaster has agreed to refund all of the fees that were improperly charged to consumers.

“We were able to resolve this matter so that consumers will get back fees that they should not have been charged,” said Attorney General Frosh.

The settlement also contains an injunction that requires Ticketmaster not to mislead consumers regarding the fees it charges, and Ticketmaster will pay the Consumer Protection Division \$25,000 for its investigative costs. Consumers should be receiving refunds directly from Ticketmaster within thirty days, either as credits on the same credit cards they used to purchase tickets or a check from Ticketmaster. Consumers who are owed refunds from Ticketmaster may call the Consumer Protection hotline at 410-528-8662 or 888-743-0023.





## PRESS RELEASE

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### **Harford County Home Builder Ordered to Pay More Than \$700,000 for Violating Consumer Protection Laws**

**BALTIMORE, MD (June 23, 2020)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division issued a [Final Order](#) finding that Clark P. Turner and Clark Turner Homes, LLC, of Harford County, violated Maryland’s Consumer Protection Act, New Home Deposits Act, and Custom Home Protection Act. The Order requires Turner and Clark Turner Homes to pay more than \$559,000 in restitution to consumers, \$75,000 in civil penalties, and more than \$72,000 in costs. In addition, the Order imposed cease and desist provisions to prevent future violations by Turner and Clark Turner Homes.

The Division found that Turner and Clark Turner Homes accepted over \$1.2 million from or on behalf of at least 15 consumers, but either failed to begin construction on their homes or failed to complete construction of their homes. The Division also determined that Turner and Clark Turner Homes violated the laws protecting new home purchasers in Maryland by, among other things, failing to protect consumer deposits, breaching the trust created for the benefit of the buyer, misappropriating the money paid by consumers to Clark Turner Homes, and failing to include required disclosures in contracts with consumers.

The Division also issued a [Final Order](#) awarding over \$370,000.00 from the Home Builder Guaranty Fund to 19 injured consumers for their actual losses resulting from Clark Turner Homes’ failure to return deposits when construction never began, failure to complete consumers’ homes, or defective workmanship. Under Maryland law, consumers may seek recovery from the Home Builder Guaranty Fund for actual losses of up to \$50,000.00 resulting from the failure of a registered builder to begin or complete their home or for defective workmanship, up to a total of \$300,000.00 per builder, which is increasing to \$500,000 as of October 1, 2020. In addition to the protection provided to consumers through the Guaranty Fund, under certain circumstances, builders are also required to maintain a bond with the State for the protection of consumers. Here, the builder maintained a \$75,000 bond, which may benefit some of the consumers.

“Purchasing a new home is the largest investment most people make in their lives. My office will pursue sanctions against builders who treat consumers unfairly and fail to protect consumer deposits,” said Attorney General Frosh. “Consumers should make sure that any deposits are protected by an escrow account, bond, or letter of credit.”

Consumers who have had problems with homes built by these or other builders should contact the Home Builder Registration Unit (HBRU) at 410-576-6573 in Baltimore or call toll free at 877-259-4525. The Attorney General's Office encourages home buyers to check whether their builder is registered before entering into a contract by calling the HBRU or visiting [www.marylandattorneygeneral.gov/pages/cpd/homebuilder](http://www.marylandattorneygeneral.gov/pages/cpd/homebuilder).



## PRESS RELEASE

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### **Attorney General Frosh Joins Coalition to File Lawsuit Against Department of Education For Illegal Elimination of Safeguards for College Students**

**BALTIMORE, MD (June 24, 2020)** – Maryland Attorney General Brian E. Frosh joined 18 other attorneys general in filing a [lawsuit](#) to stop U.S. Education Secretary Betsy DeVos from eliminating critical protections for students considering enrolling in for-profit colleges and vocational schools.

For years, for-profit and vocational colleges engaged in fraudulent and abusive practices - including deceptive marketing - to convince students to enroll in useless academic and training programs. Those practices left students across the country with piles of debt and limited or no job prospects in their field-to pay off that debt.

In 2014, the Department of Education issued a rule holding for-profit institutions accountable for the future success of their students and requiring programs to warn students about the dangers of enrolling and ultimately would have made the worst offending programs ineligible to enroll students using federal financial aid. This rule was known as the Gainful Employment Rule, named for the provision in the Higher Education Act, which it enforced.

In a new rule set to take effect next week, the Department of Education has repealed the Gainful Employment Rule's protections with the Repeal Rule, which is a license for for-profit colleges to take advantage of students looking to find educational programs to help advance their careers.

“Secretary DeVos continues to work against students instead of protecting them from the worst programs at for-profit educational institutions,” said Attorney General Frosh. “By eliminating these crucial protections, students will fall prey to unscrupulous institutions, increasing the number of students who will end up in programs that offer nothing other than unmanageable debt.”

The Repeal Rule will injure Maryland and its taxpayers in several important ways:

1. Students will use state aid designed to help their residents better their lives to instead, unwittingly, enroll in worthless for-profit programs;
2. Instead of enrolling in public institutions of higher education that states have established to make the crucial benefits of higher education available to everyone, students will

- enroll in worthless proprietary or vocational programs, causing taxpayers to lose the value of their investment in state systems of higher education;
3. Now that the U.S. Department of Education has decided to stop regulating for-profit colleges, students will look to states to make sure predatory institutions selling substandard programs are held accountable; and,
  4. Despite states' increased enforcement efforts, more students will enroll in worthless programs run by proprietary institutions, forcing more students to carry an inordinate financial debt load.

The states' lawsuit says Education Secretary DeVos' "decision to repeal the GE Rule without promulgating any alternative standard for implementing the Higher Education Act's Gainful Employment provision is arbitrary, capricious, and contrary to law ... and must be set aside."

In addition to Maryland, the lawsuit was joined by the attorneys general of Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, and Wisconsin.



## PRESS RELEASE

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### **Attorney General Frosh Announces Charges Against Unlicensed Home-Improvement Contractor Based in Baltimore City** *Charges Allege Unfair and Deceptive Practices in Violation of Consumer Protection Act*

**BALTIMORE, MD (July 7, 2020)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has filed charges against John Andre Upchurch, who does business as Upchurch Building Concepts, for acting as an unlicensed home-improvement contractor, for accepting payment for home-improvement work but failing to provide the promised services, and for failing to refund payments to consumers.

In addition to the [Statement of Charges](#) alleging violations of the Maryland Consumer Protection Act, the Division filed a parallel action in the Circuit Court for Baltimore City seeking a temporary restraining order and preliminary injunction against Upchurch, to stop him from selling home improvement services until the conclusion of the administrative action brought by the Division, or Mr. Upchurch gets the required home improvement license and posts a bond with the Division to protect consumers—whichever occurs sooner.

According to the Statement of Charges, Upchurch represents to Maryland consumers, most of whom lived in and around Baltimore City, that he is a licensed home-improvement contractor although he is not licensed, and enters into agreements for home-improvement work based on this false representation. The Division alleges that Upchurch accepts substantial payments from consumers under these agreements—although Maryland law limits home improvement contractors from taking deposits of no more than 1/3 of an agreed upon price—and then either fails to begin the work or begins preliminary work, including demolition, before abandoning the project and leaving consumers’ homes incomplete and in disarray. The Division further alleges that as a result of Upchurch’s illegal activities, consumers must hire other contractors, at significant expense, to repair or complete the projects that Upchurch has abandoned.

“Operating a home-improvement business without the required license, taking advance payments greater than 1/3 of the contracted price, failing to perform the promised work, and refusing to provide refunds are all violations of Maryland’s consumer protection laws,” said Attorney General Frosh. “We seek to stop Mr. Upchurch’s alleged illegal actions and restitution for consumers harmed by these actions.”

The Division is seeking an injunction, as well as payment of restitution, penalties, and costs for the alleged violations of Maryland’s Consumer Protection Act. A hearing has been set for

September 28, 2020, at the Office of Administrative Hearings in Hunt Valley, Maryland. For more information, consumers may call the Consumer Protection hotline at (410) 528-8662 or toll free at (888) 743-0023.



## PRESS RELEASE

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### **Attorney General Frosh Files Suit Against U.S. Department of Education and Secretary DeVos for Unlawfully Repealing Critical “Borrower Defense” Regulations**

**BALTIMORE, MD (July 15, 2020)** – Maryland Attorney General Brian E. Frosh today joined a coalition of 23 attorneys general in a [lawsuit](#) against Secretary of Education Betsy DeVos and the U.S. Department of Education (ED) challenging their action to unlawfully repeal the 2016 “borrower defense” regulations and replace them with regulations that benefit predatory for-profit schools at the expense of defrauded students.

The 2016 borrower defense regulations established critical protections for student-borrowers who have been misled or defrauded by predatory schools by providing borrowers an efficient pathway to get relief from their federal student loans, and creating robust deterrents for schools that engage in predatory conduct. Under the Trump administration, ED repealed the 2016 regulations and replaced them with new regulations that make it virtually impossible for victimized students to obtain financial relief, while also rolling back oversight over unscrupulous and predatory schools. In the lawsuit, the coalition argues that ED’s decision to repeal and replace the Obama-era regulations violates the Administrative Procedure Act (APA), and asks the court to vacate ED’s new regulations.

“Secretary DeVos has once again stood up for predatory, for-profit education institutions instead of the student-borrowers who are their victims,” said Attorney General Frosh. “Students are left holding the bag when the predators go belly up, and Betsy DeVos keeps undermining the deterrents to the predatory conduct.”

The Higher Education Act requires that the Secretary of Education issue regulations that provide for a meaningful process for students to obtain federal student loan relief when their schools have engaged in misconduct. Consistent with this Congressional mandate, ED issued new borrower defense regulations in November 2016 that offered meaningful protections to defrauded student borrowers. The regulations built on lessons learned from the collapse of Corinthian Colleges—a predatory, for-profit chain of colleges that left tens of thousands of students across the nation in need of debt relief. Specifically, the 2016 regulations provided borrowers who were misled and defrauded access to a consistent, clear, fair, and transparent process to seek debt relief, and also protected taxpayers by holding schools that engage in misconduct accountable. The regulations also ensured that financially troubled schools provide financial protection to the government to ensure that, if they fail, taxpayers would not be left financially responsible.

Despite these new protections, Secretary DeVos sided with for-profit schools upon taking office and demonstrated public hostility to the 2016 borrower defense regulations. Just two weeks before those regulations were set to go into effect in mid-2017, the Trump administration unlawfully delayed them. A coalition of 20 attorneys general, including Attorney General Frosh, sued Secretary DeVos over the illegal delay. In 2018, a judge in the United States District Court for the District of Columbia found the delay unlawful and ordered the 2016 borrower defense regulations to go into effect. In November 2019, after the Secretary's failed delay attempts, ED issued replacement borrower defense regulations that put the interests of predatory schools ahead of student protections. The 2019 borrower defense regulations created a process designed to thwart relief for defrauded students and shield predatory schools from being held accountable.

In the lawsuit, filed today in the U.S. District Court for the Northern District of California, the coalition argues that ED's repeal and replacement of the 2016 borrower defense regulations violates the APA because:

- **It is arbitrary and capricious.** The decision to repeal and replace the 2016 rule was not the product of reasoned decision making as required by the APA. In explaining its rationale for the new regulations, ED rejected prior agency determinations going back decades without explanation, grounded its analysis in fundamental misunderstandings, failed to consider alternatives, and disregarded facts and circumstances.
- **It does not comply with Congress's requirement that the Secretary implement a meaningful process for borrowers to obtain relief.** Instead, it establishes an illusory process that makes it practically impossible for students to qualify for borrower defense relief. ED admits as much by acknowledging that only around 4 percent of borrowers eligible for relief will actually get relief.

In filing this lawsuit, Attorney General Frosh joins the attorneys general of California, Colorado, Connecticut, Delaware, the District of Columbia, Hawaii, Illinois, Maine, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, and Wisconsin.





## PRESS RELEASE

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### **Attorney General Frosh Announces Settlement with AllStar Appliance Repair**

***AllStar and Its Owner Must Make Refunds to Consumers; Can No Longer Take Advance Payment Before Repairs Are Complete***

**BALTIMORE, MD (August 4, 2020)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division entered into a [settlement](#) with AllStar Appliance Repairs, LLC and its owner, Eric Paul Solomon, to resolve allegations that the company engaged in unfair and deceptive trade practices. The settlement requires AllStar to refund money to all consumers who paid for appliance repairs that were either not performed or that did not fix the appliance, and prohibits AllStar from taking payment for appliance repairs in the future unless they provide a successful repair.

Charges against AllStar and Solomon were initially brought in May, and alleged that the company repeatedly collected advance payments from consumers for appliance repairs, often under the pretense of needing to order replacement parts, but then failed to return to repair the appliance after taking the money. The Attorney General also alleged that in other instances, after AllStar claimed to repair an appliance, consumers found that the appliance still did not work, and AllStar failed to return to complete the repair. AllStar was also charged with refusing to refund consumers' money when it failed to provide repairs and with falsely advertising that the company was named the best appliance repair company by Baltimore Magazine in 2014 and 2015.

“It’s illegal to take consumers’ money and fail to provide the promised services in return,” said Attorney General Frosh. “This settlement will provide refunds for consumers who should have received them long ago and prevent others from being harmed.”

Under the settlement, along with repaying all its customers for repairs that weren’t completed, AllStar must pay a civil penalty of \$100,000 and the investigatory costs of the Consumer Protection Division. The penalty may be reduced by \$75,000 if AllStar pays restitution and otherwise fully complies with the settlement. The company can no longer take advance payments for appliance repairs and may not represent to consumers that it can provide a repair if it is unable or unwilling to do so. The settlement also prohibits AllStar from failing to show up for scheduled appointments with consumers and requires the company to respond to consumer inquiries promptly. If the company provides a service that is later found not to have fixed the appliance, the company must refund the consumer’s payment.

Attorney General Frosh suggested that while checking a company's website and its online reviews can be helpful, one of the best ways to find a trustworthy repair company is through recommendations from friends and neighbors who have had good experiences with the company in the past.

Consumers with questions about this settlement may call the Consumer Protection hotline at 410-528-8662 or 888-743-0023.



## PRESS RELEASE

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### **Attorney General Frosh Announces \$85 Million Settlement with American Honda Motor Company, Inc. and Honda of America Mfg., Inc.**

**BALTIMORE, MD (August 25, 2020)** – Maryland Attorney General Brian E. Frosh today announced a more than \$85 million multistate settlement with American Honda Motor Co., Inc. and Honda of America Mfg., Inc. (collectively “Honda”), over allegations Honda concealed safety issues related to defects in the frontal airbag systems installed in certain Honda and Acura vehicles sold in the United States. The systems were designed and manufactured by Takata Corporation, a long-time Honda supplier, and were first installed in Honda vehicles in the 2001 model year. Today’s settlement stems from an investigation led by an 11-state executive committee composed of Maryland, Arkansas, Connecticut, the District of Columbia, Florida, Georgia, New Jersey, Oregon, South Carolina, South Dakota, and Texas, and that included a total of 48 state and territory attorneys general.

The settlement reached between the attorneys general and Honda concludes the states’ investigation into Honda’s alleged failure to inform regulators and consumers that the frontal airbags posed a significant risk of rupture, which could cause metal fragments to fly into the passenger compartments of many Honda and Acura vehicles. The ruptures have resulted in at least 14 deaths and over 200 injuries in the United States alone.

“Honda’s alleged conduct impacted millions of consumers -- everything from recalls to injury, and even death. Going forward, this settlement is designed help prevent additional injuries and deaths,” said Attorney General Frosh.

The states alleged that Honda engineers suspected that the airbags’ propellant, ammonium nitrate, could burn aggressively and cause the inflator to burst. Despite these concerns, Honda delayed warning consumers or automobile safety officials, even as it began partial recalls of affected vehicles in 2008 and 2009. Further, Honda continued to represent to consumers that its vehicles, including its airbags, were safe. Since 2008, Honda has recalled approximately 12.9 million Honda and Acura vehicles equipped with the suspect inflators.

The states alleged that Honda’s actions and failures to act, as well as its misrepresentations about the safety of its vehicles, were unfair and deceptive, and that Honda’s conduct violated state consumer protection laws, including the Maryland Consumer Protection Act.

Under the terms of the consent judgment, which was filed today in the Circuit Court for Howard County, Honda has agreed to strong injunctive relief, which, among other things, requires it:

1. To take steps to ensure that future airbag designs include “fail-safe” features to protect passengers in the event the inflator ruptures;
2. To adopt changes to its procurement process for new frontal airbags, to ensure that its suppliers have the appropriate industry certifications and satisfy key industry performance standards, as well as improve record-keeping and parts tracking;
3. To implement recurrence prevention procedures designed to prevent a tragedy like this from happening again, such as requiring that Honda approve all new frontal airbag designs *before* the company will consider them for use in new Honda vehicles;
4. To abide by prohibitions on misleading advertisements and point of sale representations regarding the safety of Honda’s vehicles, including the airbags; and
5. To make improvements in critical areas such as risk management, quality control, supplier oversight, training and certifications, and implementing mandatory whistleblower protections.

Honda also agreed to pay the participating attorneys general a total of \$84,151,210.15.

In addition to Maryland and the other states comprising the executive committee -- Arkansas, Connecticut, the District of Columbia, Florida, Georgia, New Jersey, Oregon, South Carolina, South Dakota, and Texas – the attorneys general of Alabama, Alaska, Colorado, Delaware, Guam, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New York, North Carolina, North Dakota, Northern Mariana Islands, Ohio, Pennsylvania, Rhode Island, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming participated in the settlement.

Consumers who own a Honda or Acura vehicle are strongly encouraged to visit Honda’s airbag recall website at <https://hondaairbaginfo.com/>, or call its Customer Service toll-free number at (888) 234-2138, to see if their vehicle is subject to a recall. Consumers may also check for open recalls by going to [www.Safecar.gov](http://www.Safecar.gov). All safety recall repairs are FREE at authorized Honda dealers. Consumers with questions about this settlement may call the Consumer Protection Division at 410-528-8662 or write to: Consumer Protection Division, 200 St. Paul Place, 16<sup>th</sup> Floor, Baltimore, MD 21202.



## PRESS RELEASE

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### **Attorney General Frosh Announces Over \$9.4M in Debt Relief for Former ITT Tech Students in Maryland** *CFPB, 48 Attorneys General Provide Debt Relief for Approximately 35,000 Students Nationwide*

**BALTIMORE, MD (September 15, 2020)** – Maryland Attorney General Brian E. Frosh announced an agreement to obtain \$9,466,891 in debt relief for approximately 1,100 former students of ITT Technical Institute in Maryland as part of a multistate settlement with the PEAKS Trust entities (PEAKS), along with 47 other Attorneys General and the Consumer Financial Protection Bureau. Nationally, the settlement will result in debt relief of more than \$330 million for approximately 35,000 former ITT Tech students.

PEAKS, a private loan program affiliated with Deutsche Bank entities, provided loans to finance students' tuition at ITT Tech, a for-profit college that, prior to its closure, enrolled students at 149 locations throughout the country, including two in Maryland. ITT Tech filed bankruptcy in 2016 amid investigations by state attorneys general, led in part by Maryland, and following action by the U.S. Department of Education to restrict ITT Tech's access to federal student aid.

"Maryland students were deceived when they were pressured into taking on these predatory loans," said Attorney General Frosh. "PEAKS will be required by this settlement to provide debt relief to Maryland students who we allege were misled while they were working hard to further their education."

The Attorneys General allege that ITT Tech developed a plan with PEAKS to offer its students a short-term loan called "Temporary Credit" to cover the gap between the tuition and the federal student aid. ITT Tech and PEAKS knew or should have known that the students would not be able to repay the Temporary Credit when it became due nine months later, at a time when most students had not yet graduated from their programs. When the Temporary Credit expired, ITT Tech coerced students into accepting loans from PEAKS, which often carried interest rates that far exceeded rates for federal loans. The high-pressure tactics used by ITT Tech allegedly included pulling students out of class and threatening to expel them if they did not accept the loan terms. Because ITT Tech's credits would likely not transfer to other schools, most students were forced to choose between taking the PEAKS loans or dropping out of school and losing any benefit of the credits they had earned.

According to the allegations, neither ITT Tech nor PEAKS made students aware of what the true cost of repayment for the Temporary Credit would be until after it was converted to a loan with

PEAKS. The default rate on the PEAKS loans was projected to exceed 80%, due to both the high cost of the loans and the inability of students to obtain gainful employment.

In the settlement, PEAKS agreed that it will forgo collection of the outstanding loans and cease doing business. PEAKS or its loan servicer will send notices to borrowers about the cancelled debt and ensure that automatic payments are cancelled. The settlement also requires PEAKS to ask credit reporting agencies to delete any references to those loans from the credit reports of affected borrowers.

**Students will need to do nothing to receive the debt relief and will receive information from PEAKS or its servicer that will explain their rights under the settlement. Students may direct questions to PEAKS at [customerservice@peaksloans.com](mailto:customerservice@peaksloans.com) or 866-747-0273, or [the Consumer Financial Protection Bureau](#) at (855) 411-2372.** Students may also contact the Attorney General's Consumer Protection Division at 410-528-8662 with additional questions or concerns.

In June 2019, Attorney General Frosh was part of a [\\$168 million settlement](#) that resulted in debt relief for 18,664 former ITT students. That agreement was with Student CU Connect CUSO, LLC, which also offered loans to finance students' tuition at ITT Tech.

In making today's announcement, Attorney General Frosh thanked Assistant Attorney General Christopher Madaio for his work on the case.



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### **Attorney General Announces \$60 Million Multistate Settlement with C.R. Bard, Inc.**

**BALTIMORE, MD (September 24, 2020)** – Maryland Attorney General Brian E. Frosh today announced a [settlement](#) by 48 states and the District of Columbia with C.R. Bard, Inc. and its parent company Becton, Dickinson and Company requiring payment of \$60 million for the deceptive marketing of transvaginal surgical mesh devices.

Surgical mesh is a synthetic knitted or woven fabric that is permanently implanted in the pelvic floor through the vagina to treat pelvic organ prolapse and stress urinary incontinence. These are common conditions faced by women due to a weakening in their pelvic floor muscles caused by childbirth, age, and other factors.

Thousands of women implanted with surgical mesh have reported that they suffered serious complications resulting from these devices, including chronic pain, erosion of mesh through organs, pain during sexual intercourse, and voiding dysfunction. Although the attorneys general allege that use of surgical mesh involves the risk of these serious complications and is not proven to be more effective than traditional tissue repair, millions of women were implanted with these devices.

The attorneys general allege that C.R. Bard misrepresented or failed to adequately disclose serious and life-altering risks of surgical mesh devices, such as chronic pain, scarring and shrinking of bodily tissue, painful sexual relations, and recurring infections, among other complications.

“Manufacturers of medical devices must inform physicians and patients of the risks their products pose. Thousands of women suffered infections, pain and incontinence, because they were unaware of the risks of transvaginal mesh,” said Attorney General Frosh. “This settlement requires the disclosure of important risk information to patients and doctors.”

C.R. Bard and its parent company, Becton, Dickinson and Company, have agreed to pay \$60 million to the 48 participating states and the District of Columbia. Although C.R. Bard stopped selling transvaginal mesh, the settlement provides injunctive relief, requiring both C.R. Bard and Becton, Dickinson and Company to adhere to certain injunctive terms if they reenter the transvaginal mesh market.

Under the terms of the settlement, the companies are required to:

- In all marketing materials that address complications and in its instructions for use, include a list of certain risks, such as:
  - Pelvic pain, which in some patients may not resolve;
  - Pain with intercourse, which in some patients may not resolve;
  - Erosion;
  - Exposure of mesh material into the vagina, which can be associated with pain during intercourse for the woman and/or her partner;
  - Pain caused by exposure may be severe and may result in permanent sexual dysfunction;
  - Infection;
  - Voiding dysfunction, including new-onset urge incontinence;
  - Excessive contraction or shrinkage of the tissue surrounding the mesh, vaginal scarring, tightening and/or shortening may occur; and
  - That correction of mesh-related complications may involve multiple surgeries, but additional surgeries may not resolve complications, and that complete removal of mesh may not be possible.
- In patient marketing materials, put risk information in terms that are understandable to patients.
- Refrain from misrepresenting the extent to which certain risks are common to all pelvic floor or other surgeries.
- Refrain from representing in marketing materials that certain risks can be eliminated with surgical experience or technique alone.
- Refrain from representing in marketing materials that certain mesh is “soft” or has “multidirectional elasticity” within the body after implantation.
- Disclose complications related to the use of mesh in any training provided that includes risk information.
- Train independent contractors, agents, and employees who sell, market, or promote mesh regarding their obligations to report all patient complaints and adverse events to the company.

Attorney General Frosh’s office helped to lead this investigation and settlement negotiation.





## PRESS RELEASE

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### **Attorney General Frosh Announces \$39.5 Million Settlement Following 2014 Anthem Data Breach**

**BALTIMORE, MD (September 30, 2020)** – Maryland Attorney General Brian E. Frosh today announced a multistate settlement with health insurance provider Anthem, Inc. stemming from its massive 2014 data breach that involved the personal information of 78.8 million Americans. Through the \$39.5 million settlement, Anthem has agreed to a series of data security and good governance provisions designed to strengthen its practices going forward.

In February 2015, Anthem disclosed that cyber attackers had infiltrated its systems beginning in February 2014, using malware installed through a phishing email. The attackers were ultimately able to gain access to Anthem’s data warehouse, where they harvested names, dates of birth, Social Security numbers, healthcare identification numbers, home addresses, email addresses, phone numbers, and employment information for 78.8 million Americans. In Maryland, 672,102 residents were affected by the breach.

“Anthem’s data breach left millions of Americans vulnerable to identity theft and the misuse of their personal information. Healthcare companies maintain vast quantities of consumer personal information and must implement appropriate measures to prevent intrusions and detect hackers; unfortunately, Anthem failed to do so,” said Attorney General Frosh. “The significant data security measures required by this settlement will help protect the personal information of Marylanders and other consumers throughout the country.”

Under the settlement, Anthem has agreed to a series of provisions designed to strengthen its security practices going forward. Those include:

- A prohibition against misrepresentations regarding the extent to which Anthem protects the privacy and security of personal information;
- Implementation of a comprehensive information security program, incorporating principles of zero trust architecture, and including regular security reporting to the Board of Directors and prompt notice of significant security events to the CEO;
- Specific security requirements with respect to segmentation, logging and monitoring, anti-virus maintenance, access controls and two factor authentication, encryption, risk assessments, penetration testing, and employee training, among other requirements; and
- Third-party security assessments and audits for three years, as well as a requirement that Anthem make its risk assessments available to a third-party assessor during that term.

In the immediate wake of the breach, Anthem offered an initial two years of credit monitoring to all affected U.S. individuals.

In addition to Attorney General Frosh, the settlement was joined by the attorneys general of Alaska, Arizona, Arkansas, Connecticut, Colorado, the District of Columbia, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Missouri, Mississippi, Nebraska, New Hampshire, New Jersey, New York, Nevada, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, Washington, West Virginia, and Wisconsin. At the same time, the Attorney General of California entered into a parallel settlement.



## PRESS RELEASE

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### **Attorney General Frosh Urges U.S. Supreme Court to Protect Consumers from Robocalls**

**BALTIMORE, MD (October 23, 2020)** - Maryland Attorney General Brian E. Frosh today filed an [amicus brief](#) in *Facebook v. Noah Duguid*, a U.S. Supreme Court case that will determine the scope of the protections of the federal Telephone Consumer Protection Act (TCPA). This case is key to states' ability to protect residents from scammers who use abusive robocall tactics to threaten and scam people out of their money.

“Scammers continually devise new schemes and avenues to commit fraud,” said Attorney General Frosh. “To remain several steps ahead of these scam artists, we must have the tools available to protect our residents from robocalls designed to steal personal information and money.”

The TCPA, enacted in 1991, generally prohibits the use of an autodialer or an artificial or pre-recorded voice to make a call to cell phone users. At issue in the case is whether autodialers include any device that can store and dial numbers automatically, or whether autodialers are limited to devices that use a random number generator. In their brief, the attorneys general side with the plaintiff, Noah Duguid, and argue that the TCPA applies to all kinds of devices that store and dial numbers automatically.

To narrow the definition of autodialers, as Facebook argues, would leave consumers unprotected under the TCPA. Narrowing the definition would also harm states' ability to protect consumers under the TCPA and would limit collaboration among states and the federal government to take action against abusive robocallers.

Attorney General Frosh is joined in filing today's brief by the attorneys general of Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia, Washington, and Wisconsin, and the District of Columbia.



## PRESS RELEASE

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### **Report: Health Education and Advocacy Unit Saves Over \$4.3 Million for Patients, Maryland Consumers** *Annual Report Reveals Half of Carrier Denials Are Overturned or Modified When Consumers Seek HEAU Assistance*

BALTIMORE, MD (November 5, 2020) – Maryland Attorney General Brian E. Frosh announced today that the Health Education and Advocacy Unit (HEAU) of the Consumer Protection Division of the Office of the Attorney General closed 1,821 cases in Fiscal Year 2020, assisting patients in saving or recovering over \$4.3 million. The information was included as a part of the comprehensive [Annual Report](#) on the Health Insurance Carrier Appeals and Grievances Process that must be submitted to the General Assembly each year.

The HEAU offers mediation services to consumers who have billing or other business-related disputes with their healthcare providers or coverage disputes with their health benefit plans. The Unit also helps consumers who have been denied enrollment in a Qualified Health Plan or denied Advanced Premium Tax Credits or Cost-Sharing Reductions by Maryland Health Connection, Maryland’s health insurance marketplace.

“Adverse decisions by health care carriers deprive, or threaten to deprive, patients of potentially lifesaving treatment, often causing enormous emotional and financial burdens for Marylanders,” said Attorney General Frosh. “We urge consumers to contact our HEAU for assistance when coverage for their care is denied. The HEAU provides a vital service to Marylanders who otherwise may have no recourse when denied health services or coverage.”

The HEAU Annual Report reflects that denials of coverage happen routinely without challenge. One major carrier reported issuing nearly 20,000 adverse decisions and consumers challenged the adverse decisions less than 10% of the time. Those that were challenged were overturned or modified by that carrier nearly 60% of the time.

In one case mediated by the HEAU, an infant who was diagnosed at 2 months with a rare disorder, Spinal Macular Atrophy, was prescribed a gene therapy medication that cures the disease with one injection if administered before 6 months of age. The medication is the only known treatment to cure the disease; life expectancy without timely administration is approximately 6-9 years. The infant’s health carrier refused to authorize coverage for the treatment, instead authorizing a more conservative protocol to be administered over time. The family contacted the HEAU for assistance in appealing the denial. Upon filing the appeal, the family’s carrier overturned the denial and approved the medication.

In another case mediated by the HEAU, a Maryland resident who suffered a severe cardiac event was transported via air ambulance to a West Virginia cardiac care facility. The air ambulance, an out-of-network provider, filed a claim for \$30,400 and was initially paid \$8,220 by the patient's governmental health plan. The air ambulance provider proceeded to persistently seek the \$22,180 balance from the patient. The HEAU appealed and mediated the dispute between the air ambulance provider and the carrier. Ultimately, the health carrier paid an additional \$5,911 and the air ambulance provider waived the remaining balance bill of \$16,269.

The HEAU also assisted consumers faced with surprise medical bills, a persistent problem for consumers both in Maryland and nationally. In one case a mother was billed \$9,254 by an out-of-network surgical group for a physician assistant who assisted with her obstetrical delivery at a hospital that was in-network with her health plan. She was not informed of the group's out-of-network status or anticipated participation in her surgery before the delivery. The amount allowed by her health plan was \$237. The surgical group sent her the balance bill of over \$9,000 and persistently sought payment. The HEAU appealed and mediated the dispute, and the surgical group ultimately waived its balance bill. Another family faced a \$29,335 bill from an out-of-network neonatologist who treated their newborn son during an 11-day ICU stay. With the HEAU's help, their out-of-pocket costs were lowered to \$461.

Of the cases closed by the HEAU in FY 2020, 741 were appeals and grievances-related cases. The HEAU mediation process resulted in health plans' original denial being overturned or modified 50% of the time. When the original denial is not overturned or modified, the HEAU is often able to negotiate a reduction in the billed-fee from the provider, and set up reasonable payment plans for consumers.

Copies of previous years' reports can be found [here](#).

Consumers seeking assistance from the Health Education and Advocacy Unit can call the Unit's Hotline at 410-528-1840 (en Español: 410-230-1712) or file a complaint online at <http://www.marylandcares.org>



## PRESS RELEASE

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### **Attorney General Frosh Announces Over \$2.6M in Debt Relief for Former Brightwood College Students in Maryland** *Debts Owed to Brightwood by Maryland Students will be Cancelled*

**BALTIMORE, MD (November 16, 2020)** – Maryland Attorney General Brian E. Frosh today announced an agreement to obtain approximately \$2,622,877 in debt relief for approximately 1,200 former Maryland students of Brightwood College as part of a settlement between his Consumer Protection Division and Elevation Capital Partners, LLC. The settlement also provides that a significant portion of the payments made by Marylanders to Elevation Capital or its servicers will be refunded.

Brightwood College, which was owned by Education Corporation of America (ECA), operated campuses in Towson, Beltsville, and Baltimore that enrolled students in low-quality programs at a price significantly higher than comparable programs at Maryland’s public institutions. The graduates of ECA’s programs, on average, earned less than graduates at similar programs and had a significantly higher rate of loan defaults. During its recruitment of students, ECA also misled students about its accreditation status, its ability to provide career development services after students graduated, its instructors, and its facilities. After losing its accreditation in December 2018, ECA abruptly closed all of its schools without any prior notice to students and failed to help students transfer to other institutions.

ECA’s high tuition cost gave students little choice but to take on student loans issued by ECA itself, often in addition to other federal or private student loans that students incurred to pay their tuition. After ECA closed, a court-appointed receiver who was managing the assets for the then-shuttered company sold the rights to collect on these student loan debts to Elevation Capital Partners, a third-party debt buyer.

“These student loans should have been cancelled immediately when Brightwood College abruptly closed and the students didn’t receive what they had been promised,” said Attorney General Frosh. “I am pleased that our office has been able to provide relief to Maryland students victimized by Brightwood. Loans owed directly to the school will be cancelled.”

In the settlement, Elevation Capital agreed that it will forgo collection of the outstanding loans owed by Marylanders and refund approximately 75% of the money that Elevation Capital collected from students after it bought the portfolio of loans. The settlement also requires Elevation Capital to ask credit reporting agencies to delete any information about those loans from the credit reports of affected borrowers that it reported to those agencies.

Affected students do not need to do anything to receive the debt relief. Students who are due refunds of payments that they made after ECA transferred the debt will be contacted by the Attorney General's Office. Students may contact the Attorney General's Consumer Protection Division at 410-528-8662 with questions or concerns.

In making today's announcement, Attorney General Frosh thanked Assistant Attorney General Christopher Madaio for his work on the case.



## PRESS RELEASE

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### **Attorney General Frosh Announces \$17.5 Million Multistate Settlement with Home Depot Over 2014 Data Breach**

**BALTIMORE MD (November 24, 2020)** – Maryland Attorney General Brian E. Frosh today announced a multistate settlement with the Georgia-based retailer The Home Depot stemming from its 2014 data breach, which exposed the payment card information of approximately 40 million consumers nationwide. Through the \$17.5 million-dollar settlement, The Home Depot has reached a resolution with 46 states and the District of Columbia. The Home Depot has also agreed to a series of data security and good governance provisions designed to safeguard the personal information of consumers.

The breach occurred when hackers gained access to The Home Depot’s network and deployed malware on The Home Depot’s self-checkout point-of-sale system. The malware allowed the hackers to obtain the payment card information of customers who used self-checkout lanes at The Home Depot stores throughout the United States between April 10, 2014, and September 13, 2014.

“Far too often, companies fail to protect consumers’ personal information from unlawful use or disclosure,” said Attorney General Frosh. “As a result, consumers suffer harm personally and financially. The data security measures required by this settlement will help protect the personal information of Marylanders and other consumers throughout the country.”

Under the settlement, The Home Depot has agreed to a series of provisions designed to strengthen its security practices. These include:

- Employing a duly qualified Chief Information Security Officer reporting to both the Senior or C-level executives and Board of Directors regarding The Home Depot’s security posture and security risks;
- Providing the resources necessary to fully implement the company’s information security program;
- Providing appropriate security awareness and privacy training to all personnel who have access to the company’s network or responsibility for U.S. consumers’ personal information;
- Employing specific security safeguards with respect to logging and monitoring, access controls, password management, two-factor authentication, file integrity monitoring, firewalls, encryption, risk assessments, penetration testing, intrusion detection, and vendor account management; and



- Consistent with previous state data breach settlements, the company will undergo a post-settlement information security assessment that will evaluate its implementation of the agreed upon information security program.

In addition to Maryland, the states participating in this settlement include Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and Wisconsin.



## PRESS RELEASE

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### **Attorney General Frosh Announces \$86.3 Million Multistate Settlement with Mortgage Servicer Nationstar** *Case Settles Allegations of Past Violations Affecting Thousands of ‘Mr. Cooper’ Customers*

**BALTIMORE MD (December 7, 2020)** – Maryland Attorney General Brian E. Frosh, along with 50 other attorneys general and other federal and state agencies, announced an \$86.3 million [settlement](#) with Nationstar Mortgage, the country’s fourth-largest mortgage servicer. The settlement resolves allegations that Nationstar, which does business as “Mr. Cooper,” violated consumer protection laws during its servicing of mortgage loans. The settlement provides restitution for a variety of harms that were identified in the investigation. Thousands of borrowers had problems when their loans were transferred to Nationstar, leading to foreclosure in some circumstances.

“More than 1,000 borrowers in Maryland were harmed by Nationstar’s misconduct,” said Attorney General Frosh. “The settlement requires Nationstar to change its practices and to pay millions of dollars to those it hurt.”

In 2012, Nationstar began purchasing mortgage servicing portfolios from competitors and grew quickly into the nation’s largest non-bank servicer. The lawsuit alleged that as loan data was transferred to Nationstar, borrowers who had sought assistance with payments and loan modifications sometimes fell through the cracks. Borrowers in this category will receive a guaranteed minimum payment of \$840 as part of the settlement. Other borrowers suffered damages when Nationstar failed to oversee third-party vendors hired to inspect and maintain properties owned by delinquent borrowers and improperly changed locks on their homes, the lawsuit alleged. These borrowers will receive a guaranteed minimum payment of \$250. Maryland entered into a [settlement agreement](#) with Nationstar in 2018 following allegations the company charged inspection costs to homeowners in violation of the state’s Consumer Protection Act. In that settlement, Nationstar was required to return over \$260,000 in fees to Maryland homeowners.

The lawsuit alleged other unlawful acts and practices by Nationstar, including:

- Failing to properly oversee and implement the transfer of mortgage loans;
- Failing to appropriately identify loans with pending loan modification applications when a loan was being transferred to Nationstar for servicing;
- Failing to timely and accurately apply payments made by certain borrowers;

- Threatening foreclosure and conveying conflicting messages to certain borrowers engaged in loss mitigation;
- Failing to properly process borrowers' applications for loan modifications;
- Failing to properly review and respond to borrower complaints;
- Failing to make timely escrow disbursements, including the failure to timely remit property tax payments;
- Failing to timely terminate borrowers' private mortgage insurance; and
- Collecting monthly modified payment amounts on certain loans where the amounts charged for principal and interest exceed the principal and interest amount contained in the trial plan agreement.

The settlement, filed in the U.S. District Court for the District of Columbia, provides approximately \$79.2 million in relief affecting 55,814 loans nationally. It covers conduct by Nationstar occurring from January 1, 2011, until December 31, 2017. In Maryland, the settlement affects 1,442 loans for a total of \$2,445,415.65. The settlement also requires Nationstar to follow a detailed set of rules or "servicing standards" in how it handles certain mortgage loans. These servicing standards are more comprehensive than existing law and will be in place for three years starting on January 1, 2021.

The state attorneys general negotiated the settlement with the state mortgage regulators and the federal Consumer Financial Protection Bureau, which filed separate settlement documents. The partners also collaborated with the U.S. Trustee Program, a component within the Department of Justice that seeks to promote the efficiency and protect the integrity of the bankruptcy system. The USTP is finalizing a separate agreement with Nationstar to address historical servicing issues impacting borrowers in bankruptcy.

The agreement also requires Nationstar to conduct audits and provide audit results to a committee of states to ensure compliance with the settlement. The settlement included all 50 states and the District of Columbia. **A settlement administrator will send a claim form to eligible borrowers in 2021.** Nationstar has already provided some of the relief outlined in the settlement.

Attorney General Frosh thanked the Consumer Protection Division for its work on the case.



## PRESS RELEASE

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### **Attorney General Frosh Warns Consumers of Unlicensed, Illegal Pop-Up COVID-19 Testing Sites Outside of Local Stores and Shopping Centers**

**BALTIMORE, MD (December 21, 2020)** – The Maryland Office of the Attorney General has been alerted to illegal, unlicensed pop-up COVID-19 testing sites operating in Baltimore City. Individuals are setting up “Free COVID-19 Testing” tables at random locations, including outside shopping centers and retail stores, and along the side of the road. These testing sites are not authorized and the individuals operating them are not following CDC guidelines for collecting, handling, and testing clinical specimens from persons for COVID-19, and they could be placing consumers at risk. Attorney General Brian E. Frosh is encouraging consumers to visit [covidtest.maryland.gov](https://covidtest.maryland.gov) for a list of more than 240 approved COVID-19 testing sites in Maryland.

“Consumers in need of a COVID-19 test should have it performed at an approved testing site,” said Attorney General Frosh. “Providing personal information, such as Social Security Numbers, to individuals hosting one of these pop-up sites not only puts your health at risk, but increases your chances of becoming a victim of identity theft.”

Anyone who received a COVID-19 test at any of these illegal pop-up testing sites should get another test from an approved testing site and seek medical attention if they have symptoms of COVID-19.

Unauthorized pop-up testing sites could be a scheme for identity thieves to harvest sensitive, personal information from consumers. The Office of Attorney General is aware that the unauthorized testing sites are taking personal information, including social security numbers, driver’s license information, dates of birth, health insurance information, and DNA – all of which can be used for identity theft. Anyone with questions or concerns about identity theft can contact the Maryland Attorney General’s Identity Theft Unit at 410-576-6491 or 410-230-1712 (en Español).

To report health scams, contact the Maryland Attorney General’s Health Education and Advocacy Unit at 410-528-1840 or 410-230-1712 (en Español).



## PRESS RELEASE

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**Attorney General Frosh Announces Settlement with Owners of  
Maryland-Based Accurate Optical  
*Owners of Now-Closed Eye Care Stores to Pay Restitution for Failing to Provide  
Customers Their Purchased Eye Wear***

**BALTIMORE, MD (December 21, 2020)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has entered into a settlement resolving an investigation into Drs. Steven M. Zeidman, John F. Lynch Jr., and Charles I. McDonald, the owners of Accurate Optical, a company that operated a chain of now-closed stores in Maryland and Delaware that offered eye care and eyewear services.

Accurate Optical closed its stores located in Berlin, Cambridge, Easton, Ocean City, Salisbury, and Kent Island, Maryland, and in Laurel and Millsboro, Delaware. After the Consumer Protection Division began receiving complaints from former Accurate Optical customers that they did not receive purchased eyewear or refunds, the Consumer Protection Division commenced an investigation.

The settlement requires Zeidman, Lynch, and McDonald to stop selling goods that they cannot provide, and to pay back all monies that Accurate Optical collected from consumers for goods that were not delivered.

“It is illegal to take consumers’ money and fail to provide the promised goods in return,” said Attorney General Frosh. “I am pleased that our settlement will ensure that customers of Accurate Optical will either receive their purchased eyewear or be paid full refunds.”

Consumers who are owed refunds from Accurate Optical may call the Consumer Protection hotline at 410-528-8662 or 888-743-0023 (toll-free).