



## PRESS RELEASE

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### **Attorney General Frosh Announces Settlement with Neiman Marcus Over 2013 Data Breach**

***Neiman Marcus Must Pay \$1.5 Million to the States; More Than 8,000 Marylander Consumers' Payment Data Compromised***

**BALTIMORE, MD (January 8, 2019)** - Maryland Attorney General Brian E. Frosh announced today that he, along with the Attorneys General of 42 other states and the District of Columbia, has reached a settlement with The Neiman Marcus Group, LLC. Under the terms of the settlement, Neiman Marcus has agreed to pay \$1.5 million and implement a number of policies to resolve a multistate investigation into the 2013 breach of customer payment card data at 77 Neiman Marcus stores.

The breach took place over the course of several months and compromised the names and payment card data collected at Neiman Marcus retail stores throughout the United States. The states' investigation determined that approximately 370,000 payment cards were compromised, including 8,323 associated with Maryland consumers. At least 9,200 of the payment cards compromised in the breach were used fraudulently.

“Businesses that collect and hold consumers’ payment card data have a responsibility to make sure that data is protected from hackers,” said Attorney General Frosh. “This settlement requires Neiman Marcus to bolster its protection of consumers’ information to prevent a breach like this from reoccurring.”

In addition to the monetary settlement, Neiman Marcus has agreed to a number of injunctive provisions aimed at preventing similar breaches in the future, including:

- Complying with Payment Card Industry Data Security Standard (PCI DSS) requirements;
- Maintaining an appropriate system to log and monitor its network activity;
- Maintaining working agreements with two qualified Payment Card Industry forensic investigators, operating separately, to allow for speedy investigation and remediation of any future concerns;
- Updating all software associated with maintaining and safeguarding personal information;
- Implementing appropriate industry-accepted payment security technologies relevant to the company’s business; and
- Use technologies like encryption and tokenization to obscure payment card data.

Under the settlement, Neiman Marcus is also required to obtain an information security assessment and report from a third-party professional, and detail any corrective actions that the company may have taken or plans to take as a result of this report.

The Maryland Attorney General's Office was a member of the Executive Committee that led the investigation.

Information on how to protect your identity and what to do in the event of a data breach can be found in the Maryland Office of Attorney General's [Identity Theft Guide](#). Consumers who believe they may be a victim of identity theft should contact the Attorney General's Identity Theft Unit at 410-576-6491 or by sending an email to [idtheft@oag.state.md.us](mailto:idtheft@oag.state.md.us).

In making today's announcement, Attorney General Frosh thanked Assistant Attorney General Richard Trumka, Jr. for his work on the case.



## PRESS RELEASE

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### **Attorney General Frosh Announces Wells Fargo Consumer Redress Review Program**

#### ***Program Allows Consumers Not Assisted Through Other Remediation Programs to Have Complaint Reviewed***

**BALTIMORE, MD (February 27, 2019)** – Maryland Attorney General Brian E. Frosh today announced that Wells Fargo has begun a consumer redress review program through which consumers who have not yet been made whole through other remediation programs already in place can seek to have their inquiry or complaint reviewed by a Wells Fargo escalation team for possible relief.

“Through this program, all affected consumers have an opportunity to have their claims reviewed,” said Attorney General Frosh. “Not one customer who was wronged should slip through the cracks.”

The consumer redress review program was a key component of the December 2018 settlement with the attorneys general of all 50 states and the District of Columbia to resolve claims that the bank violated state consumer protection laws by

- Opening millions of unauthorized accounts and enrolling customers into online banking services without their knowledge or consent;
- Improperly referring customers for enrollment in third-party renters and life insurance policies;
- Improperly charging auto loan customers for force-placed and unnecessary collateral protection insurance;
- Failing to ensure that customers received refunds of unearned premiums on certain optional auto finance guaranteed asset/auto protection (GAP) products; and,
- Incorrectly charging customers for mortgage rate lock extension fees.

As part of the program, Wells Fargo is maintaining a website that describes the issues covered by the settlement agreement and provides information regarding consumers’ eligibility for redress and the escalation phone numbers consumers may use to request review. In addition, Wells Fargo will provide periodic reports to the states about ongoing remediation efforts. Wells Fargo’s redress website address is [www.wellsfargo.com/commitment/redress](http://www.wellsfargo.com/commitment/redress).

Consumers with questions or concerns may call the following Wells Fargo escalation phone numbers for more information:

- Unauthorized Accounts/Improper Retail Sales Practices: 1-844-931-2273

- Improper Renters and Life Insurance Referrals: 1-855-853-9638
- Force-Placed Collateral Protection Auto Insurance ("CPI"): 1-888-228-9735
- Guaranteed Asset/Auto Protection ("GAP") Refunds: 1-844-860-6962
- Mortgage Interest Rate Lock Extension Fees: 1-866-385-5008

Consumers may also call the Attorney General's consumer protection hotline at 410-528-8662 or 888-742-0023.

BRIAN E. FROSH  
ATTORNEY GENERAL



MEDIA CONTACT:  
[PRESS@OAG.STATE.MD.US](mailto:PRESS@OAG.STATE.MD.US)  
410-576-7009

## PRESS RELEASE

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### **Attorney General Frosh Announces Settlement with Residential Real Estate Management Company**

**BALTIMORE, MD (March 29, 2019)** – Maryland Attorney General Brian E. Frosh today announced that his Consumer Protection Division has entered into a settlement with Cole Property, LLC and its owner for alleged violations of Maryland’s Security Deposit Law.

Cole Property, which manages nine row homes in Baltimore City, had included two terms in its form leases that allegedly violated Md. Code Ann., Real Property § 8-203 (“Security Deposit Law”):

- Making a portion of the security deposit nonrefundable; and
- Conditioning the return of consumer's security deposits on their providing advanced notice of the termination of their leases.

The landlord also allegedly charged more for dishonored checks than was permitted under Maryland law. In the settlement, Cole Property and its owner agree to discontinue the practices that violate the Security Deposit Law and to stop charging excessive fees for dishonored checks, to return any illegal payments to their tenants, and to pay a penalty of \$2,500.00.

Consumers with questions about this settlement may call the Attorney General’s consumer protection hotline at 410-528-8662 or 888-742-0023.

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### **Attorney General Frosh Charges Company with Making Predatory Loans**

#### ***Consumer Protection Division Files Charges Against Cash-N-Go, Inc., Cash-N-Go Pawnbrokers LLC, and Brent M. Jackson for Allegedly Making Unlicensed and Usurious Loans to Maryland Consumers***

**BALTIMORE, MD (April 11, 2019)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has [filed charges](#) against Cash-N-Go, Inc., Brent M. Jackson, and related businesses owned and operated by Jackson under the “Cash-N-Go” name for allegedly making unlicensed and usurious consumer loans, referred to as “title loans” or “title pawns,” which put vulnerable Maryland consumers at risk of losing their motor vehicles.

According to the Division’s charges, 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. 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. According to the charges, such “title loans” or “title pawns” are consumer loans under Maryland law and are subject to Maryland’s licensing requirements and interest rate caps. However, the charges allege that Jackson and his companies were never licensed by the Maryland Commissioner of Financial Regulation to make consumer loans in Maryland, and that their loans were highly usurious, typically charging an annual interest rate of 360%—more than 10 times the state’s legal rate of interest for consumer loans.

“Maryland’s usury laws protect consumers from companies charging outrageous and unlawful amounts of interest,” said Attorney General Frosh. “Title lending requires particular scrutiny, since the loans are often made to vulnerable consumers who risk losing their only means of transportation if they fail to repay their loan.”

A hearing on the Division’s charges has been scheduled for June 25-27, 2019, at the Office of Administrative Hearings in Hunt Valley, Maryland. The Division is seeking an order compelling Jackson and his Cash-N-Go companies to permanently cease and desist from making unlicensed and usurious consumer loans in Maryland, to pay restitution to all affected consumers, and to pay civil penalties.

Consumers with complaints against Brent M. Jackson, Cash-N-Go, Inc., Cash-N-Go Pawnbrokers LLC, or Cash-N-Go Pawnbrokers, Inc. may call or write to the Consumer Protection Division at 410-576-6569 or 200 St. Paul Place, 16th Floor, Baltimore, MD 21202.



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### **Attorney General Frosh Announces Settlement with Reverse Mortgage Servicer Compulink Corporation/DBA Celink** *Celink Refunds or Credits Illegal Inspection Fees, Will Pay Penalties and Costs*

**BALTIMORE, MD (April 16, 2019)** – Maryland Attorney General Brian E. Frosh announced today, in cooperation with the Commissioner of Financial Regulation, a [settlement agreement](#) with Compulink Corporation, DBA Celink, resolving allegations that it charged homeowners illegal inspection fees.

Celink is a non-bank servicer of reverse mortgage loans and arranges for inspectors to visit properties in default on their mortgage loans. Although Maryland law prohibits passing the cost of inspections onto homeowners, the Consumer Protection Division alleged that Celink continued to charge the inspection costs to homeowners until January 2017. Celink has refunded or credited homeowners more than \$43,900 in prohibited inspection fees.

“Celink’s property inspections serve the interests of the lenders, not the homeowners,” said Attorney General Frosh. “Our settlement puts an end to the practice of charging homeowners the cost of inspections, and returns the money to homeowners that they were wrongfully charged.”

Under the terms of the settlement, Celink agrees to comply with Maryland law with respect to inspection fees, to refund inspections fees to the extent that they have not been refunded, and to pay \$50,000 in penalties and \$5,000 in costs.

In addition to the settlement, the Commissioner of Financial Regulation, which licenses Celink, received similar assurances from the company that it had updated its procedures and ceased charging these fees.

Consumers with questions about this settlement may contact the Consumer Protection Division at 410-528-8662 or toll-free at 888-743-0023.



## PRESS RELEASE

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### **Settlement Announced in Cash on Delivery Charity Scam *Man Permanently Banned By Maryland Officials From Charitable Soliciting After Using Fake Law Enforcement Charities to Solicit Donations***

**BALTIMORE, MD (April 17, 2019)** – Maryland Attorney General Brian E. Frosh and Secretary of State John C. Wobensmith today announced a settlement agreement in a case against Stephen D. Everhart, Lion Fundraising, Police Journal and Fire Yearbook, and Lion Fraternal Order of Police Assistance Fund LLC.

An investigation into Everhart and Lions Fundraising revealed that the scam dated back several years, and that Everhart used the donations instead to pay himself, and not to benefit any real law enforcement or fire organization. Everhart used the following fake names to solicit for donations: McKimmie-Catterton Maryland Police Post 2979, Anne Arundel Police Post 2979, Firefighters Association, Maryland Fire Post, Coalition of Police, Anne Arundel Police Stronger Than Drugs, D.C. Police Assistance Funding, D.C. Police Association Blue Santa Drive, FOP Fundraising, Lion Charitable Fundraising, Lion Charitable Funding, Lion Fraternal Order of Police, Lion Police Fire Veterans Fundraising, Lion United Funds, Maryland Law Enforcement Fund, Police Fire Post, Police Fire Veterans Assistance Fund 2979, Police Fire Veterans Assistance Fund, and Veterans of Foreign Wars Post 2979.

“Mr. Everhart’s actions hurt real charities,” said Attorney General Frosh. “He preyed upon the public’s good will and desire to support law enforcement and first responders so that he could line his own pockets.”

As a result of the investigation, on September 28, 2018, the Secretary of State issued a cease and desist order citing multiple violations of the Maryland Solicitations Act including Everhart’s failure to register as a charitable organization or as a paid fundraiser, as required by the law.

“Our office is committed to protecting Maryland from those who use deceit to divert charitable donations,” said Secretary of State John C. Wobensmith. “We encourage citizens to report any suspicious charities or fundraisers to our office, and research the registration and financial information of a charity.”

The settlement announced today includes a permanent, lifetime ban against Everhart from operating or founding any charitable organization, from fundraising for any charitable organization, and a permanent ban from working for any charitable



organization for which he would be responsible for soliciting, collecting, or handling charitable contributions.

The Secretary of State registers and regulates charitable organizations and their professional solicitors who operate in Maryland. Together with the assistance of the Maryland Attorney General, the Secretary of State enforces Maryland's charitable giving laws to ensure that donations are used for their intended purpose. Maryland donors may visit <http://sos.maryland.gov/Charity/Pages/Giving-Wisely.aspx> for tips on how to give wisely to charities.

Individuals who think that they may have been a victim of a deceptive or illegal charitable solicitation, may call the Charities and Legal Services Division, Secretary of State's Office at [410-974-5521](tel:410-974-5521) or [1-800-825-4510](tel:1-800-825-4510)



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### **Attorney General Frosh Announces Charges Against Owner of The Surrogacy Group, LLC for Defrauding Customers** *Charges Allege Owner Greg Blosser Sold Surrogacy Services to Would-be Parents, Used Money for Personal Benefit*

**BALTIMORE, MD (April 23, 2019)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has filed two actions against Greg Blosser, DBA as The Surrogacy Group, LLC (Surrogacy Group), an Annapolis-based company that sold surrogacy services to consumers in Maryland and other states and countries. The case is scheduled for a hearing in the Maryland Office of Administrative Hearings.

On April 22, 2019 Circuit Court Judge Michael Wachs [issued a Temporary Restraining Order](#) (TRO) against Blosser, barring him from selling any further surrogacy-related services to Maryland consumers, as well as from collecting any further monies from Maryland consumers in connection with his business. A hearing to determine whether that order should remain in place until the administrative charges are resolved is scheduled for April 29, 2019, at 9:00 am, at the Circuit Court for Anne Arundel County. A hearing on the administrative charges is scheduled to take place on July 9, 2019, at the Office of Administrative Hearings.

The Surrogacy Group is charged with collecting fees as high as \$100,000 and failing to provide the promised surrogacy services to hopeful parents, acts that constitute unfair or deceptive trade practices in violation of the Consumer Protection Act.

Surrogacy is an arrangement whereby a woman, who acts as a gestational carrier, agrees to become pregnant, carry the pregnancy to term, and give birth to the child for another person who ultimately becomes the parent of the newborn child. Intended parents sometimes seek to have children through a gestational carrier when pregnancy is medically impossible or when pregnancy risks are unacceptable.

According to the [Statement of Charges](#), the Surrogacy Group collected initial fees, generally between \$12,000 and \$22,000 for services, followed by additional amounts that were supposed to be held in escrow to pay for additional medical expenses and other fees for its client's surrogates. The Surrogacy Group is charged with repeatedly failing to provide promised surrogacy services, instead collecting consumers' payments and using their money for Blosser's own personal benefit.

“Surrogacy Group has been charged with preying on peoples’ hopes of parenthood for financial gain,” said Attorney General Frosh. “Blosser and his company are barred from victimizing others, pending further hearings.”

The Division is seeking, in addition to the injunction entered by the Circuit Court, restitution to victims, costs, and penalties for alleged violations of Maryland’s Consumer Protection Act.

For more information, consumers may call the Consumer Protection hotline at (410) 528-8662 or toll free at (888) 743-0023.



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### **Attorney General Frosh Charges Property Management Company for Misusing Homeowner and Condo Fees** *Charges Allege Evergreen Management, LLC and Its Owner Violated Maryland Consumer Protection Act*

**BALTIMORE, MD (May 1, 2019)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has filed charges against Evergreen Management, LLC (Evergreen) for misappropriating consumers’ fees paid to their homeowner associations and condominium associations. Jason Barry Oseroff, the owner of Evergreen, was also charged.

Evergreen offered property management services to homeowners associations (HOAs) and condominium associations, including recordkeeping and providing financial reports; hiring and paying contractors for landscaping, utilities, and insurance; preparing tax returns; depositing monies; and, providing other services to benefit the HOAs and condominiums.

According to the [Statement of Charges](#), the owners of Evergreen, Oseroff and his late father Ivan Oseroff, used bank accounts belonging to the HOAs and condominium associations to make substantial payments for their own benefit instead of providing the services for which they were hired. The Division alleges that Evergreen and its owners misappropriated at least \$2,475,000 in funds belonging to HOAs and condominium associations.

The Division alleges that when the Oseroffs’ misappropriation caused shortfalls in HOA or condominium association funds, and these associations were unable to pay their bills, the Oseroffs improperly transferred funds from accounts belonging to other HOAs or condominium associations in order to cover the shortfall. The Oseroffs hid this illegal activity from the HOAs and condominium associations by failing to provide bank records and invoices, even when repeatedly requested by the homeowners, and creating false balance, expense, and income reports.

“Evergreen and its owner are charged with serious violations of consumer protections laws,” said Attorney General Frosh. “This company allegedly stole money, paid in good faith by home and condo owners to cover property services, and used it for their own personal benefit.”

The Division is seeking an injunction, as well as the payment of restitution, penalties, and costs for the alleged violations of Maryland’s Consumer Protection Act, the Maryland Condominium Act, and the Maryland Homeowners Association Act.

For more information, consumers may call the Consumer Protection hotline at (410) 528-8662 or toll free at (888) 743-0023.



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### **Settlement Announced In Case Against Maryland Police Charity Founded by Retired Baltimore City Police Officer**

**BALTIMORE, MD (May 2, 2019)** - Maryland Attorney General Brian E. Frosh and Secretary of State John C. Wobensmith today announced a settlement with CopStress, Inc., a 501(c)(3) tax exempt organization and its founder, Richard A. Willard, a retired Baltimore City Police Officer. Anne Arundel County Circuit Court Judge Ronald A. Silkworth approved the consent order requiring CopStress, Inc. and Willard to cease all charitable soliciting and to turn over remaining donations to an organization whose mission matches charitable solicitations at issue in the case.

According to the complaint, beginning on July 2017 and continuing through 2018, Willard and the charity misled the public by claiming to operate programs for police officers such as police academy training, rapid response teams, and licensed counseling for police suffering from post traumatic stress disorder. The complaint further alleges Willard posed as an active duty officer to solicit donations and misled the public about affiliation or sponsorship of a CopStress, Inc. fundraising event by the Baltimore City Police Department.

“Willard operated a sham charity that exploited a worthy cause - support for our police and law enforcement,” said Attorney General Frosh. “Shutting him and his charity down safeguards Maryland consumers from another unlawful fundraising scam and clears a path for legitimate law enforcement charities to succeed.”

The investigation revealed that CopStress also did not operate the myriad of programs and services it claimed to provide police officers. The charity ignored several requests of the Secretary of State’s Office to register and document its finances and claimed charitable programming. As a result, on December 23, 2017, the Secretary of State issued a Cease and Desist Order citing multiple violations of the Maryland Solicitations Act. Despite the order, the charity continued to solicit donations for its “Baltimore Brothers in Blue Bash.” The event was ultimately called off after the event planners learned about the State’s Cease and Desist Order prohibiting the charity from fundraising. The Attorney General filed suit on April 10, 2018 to restrain further violations and seek civil penalties.

“Charities that mislead the public about how donations are used have no place in Maryland,” said Secretary of State John C. Wobensmith. “Donors should be wary of any charity not willing or able to answer basic questions about its finances and charitable programming.”

In addition to permanent bans on charitable soliciting, the consent order announced today includes a monetary judgment of \$30,000 in civil penalties. Collection of the penalties are suspended as long as Willard and CopStress follow the terms of the order.

The Secretary of State registers and regulates charitable organizations and their professional solicitors who operate in Maryland. Together with the assistance of the Maryland Attorney General, the Secretary of State enforces Maryland's charitable giving laws to ensure that donations are used for their intended purpose. Maryland donors may visit <http://sos.maryland.gov/Charity/Pages/Giving-Wisely.aspx> on the Secretary of State's website for tips on how to give wisely to charities.

Individuals who may have been a victim of deceptive or illegal charitable solicitations, may call the Charities and Legal Services Division, Secretary of State's Office at [410-974-5521](tel:410-974-5521) or [1-800-825-4510](tel:1-800-825-4510). <http://sos.maryland.gov/Charity/Pages/Report-A-Charity.aspx>



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### **Attorney General Frosh Announces Disbursement of More Than \$1.8 Million in Charitable Contributions to Two Veterans Charities**

**BALTIMORE, MD (May 31, 2019)** – Maryland Attorney General Brian E. Frosh and the Maryland Secretary of State today announced that more than \$1.8 million will be disbursed to two veterans charities as the result of a multi-state settlement with the Florida-based charity Help the Vets, Inc., and its founder, Neil G. Paulson, Sr.

In July 2018, Attorney General Frosh, along with the Federal Trade Commission and the attorneys general of California, Florida, Minnesota, Ohio, and Oregon reached a settlement with the charity and Paulson. According to the terms of the settlement, Help the Vets is required to disgorge all of its remaining assets totaling \$73,812.38, and Paulson is required to pay \$1.75 million, for a total of \$1,823,812.38., to be donated to charity. Both Paulson and Help the Vets are also permanently banned from soliciting charitable contributions and participating in oversight or management of charities in the future.

Funds resulting from the settlement will be disbursed equally in two charitable contributions in the amount of \$911,906.37 each to the Injured Marine Semper Fi Fund and to Hope for the Warriors.

“The resolution in this case allows the money to be used for purposes the donors intended,” said Attorney General Frosh. “Sham charities hurt our communities by taking donor money under false pretenses, lining the pockets of scammers, and diverting resources from legitimate charities.”

“I commend the cooperation between the states in achieving this significant outcome,” said Secretary of State John C. Wobensmith. “We will continue our work to ensure charities who solicit in Maryland follow the law and honor donor intent.”

To help ensure your money goes to the charitable purpose you intend, please consider the following tips:

1. When you receive a request to donate money, ask questions. Ask for the charity’s name, website, physical location, phone number, types of programs, and how much of the donated money supports the programs you want to support. If the charity is unwilling to answer your questions, that is a red flag.



2. Research before you give. Search the charity's name online with the words "scam" or "complaint," and check the following resources for information about the charity:
  - a. Look up the charity's name on [Maryland's Charity Database](#) to ensure that they are registered and in compliance with any applicable reporting requirements.
  - b. Charity Watch is available at <https://www.charitywatch.org>
  - c. Charity Navigator available at <https://www.charitynavigator.org>
  - d. BBB Wise Giving Alliance available at <https://give.org>
3. Avoid paying with cash, gift cards, or wire transfers. Payment by these methods is difficult to track and therefore, difficult to recover. Consider donating by using a credit card, which tends to be more secure and trackable.

Don't be swayed by the name of the charity alone. Often, charity names are selected to have an emotional impact on specific groups of donors. For example, many veterans' charity names often include "veterans," "heroes," "wounded," "injured," and "warriors." This doesn't always mean the charity will donate to the named groups or prioritize this group above others. Do your research.

4. If you have questions about information that appears on Maryland's Charity Database or wish to report suspicious fundraising activity, you can contact the Charitable Organizations Division, Office of the Secretary of State, 16 Francis Street, Annapolis, Maryland 21401, 410-974-5534 / 800-825-4510 or submit a complaint online at <https://sos.maryland.gov/Charity/Pages/Concern.aspx/>

The Maryland Attorney General's Office publishes the Maryland Veterans Resource Guide with additional information for veterans and their families:

[http://www.marylandattorneygeneral.gov/Pages/Maryland\\_Veterans\\_Resource\\_Guide.pdf](http://www.marylandattorneygeneral.gov/Pages/Maryland_Veterans_Resource_Guide.pdf)

In making today's announcement, Attorney General Frosh thanked Assistant Attorney General Josaphine Yuzuik for her work on the case.



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### **Attorney General Frosh, Secretary of State Wobensmith Announce \$2.5 Million Settlement Following Landmark Lawsuit Against Sham Cancer Charities**

**BALTIMORE, MD (June 20, 2019)** - Maryland Attorney General Brian E. Frosh and Secretary of State John C. Wobensmith today announced a \$2.5 million recovery resulting from multistate litigation against the former operator of several false cancer charities. The settlement is the result of a landmark lawsuit against against four affiliated sham charities – the Cancer Fund of America, Inc., The Breast Cancer Society, Inc., Cancer Support Services, Inc., and the Children’s Cancer Fund of America – and their founder James Reynolds and other individuals. Funds recovered through the settlement will be distributed to cancer centers across the country as a result of a multistate enforcement action against sham cancer charities. Reynolds and the other individuals responsible for fronting the false charities are all banned from any charity or fundraising activities for the rest of their lives.

This distribution marks the conclusion of the [lawsuit](#), brought in May 2015, and the first time that all 50 states, the District of Columbia and the Federal Trade Commission joined together to shut down sham charities.

“This settlement means that a small, but meaningful, amount of the monies recovered will be used to help cancer patients ,” said Attorney General Frosh. “Mr. Reynolds and his colleagues will never touch a charitable donation again.”

“We are pleased that the money recovered in this landmark case will be used to serve cancer patients,” said Secretary of State John C. Wobensmith. “We will continue our fight against deceit and fraud in the name of legitimate charitable programming.”

The [complaint](#) alleged that the so-called charities, led by James Reynolds and his family members, bilked the public out of more than \$187 million dollars between 2008 and 2012. Of the money collected, only 3% was directed to cancer patients in the United States in the form of “care packages” containing religious DVDs, Moon Pies, random items of clothing, and various sundries. Cancer Fund of America also claimed to supply patients with pain medications and transportation to chemotherapy treatments, when it provided no such services. The charities also participated in a “gift-in-kind” program in which they sent drugs that had nothing to do with cancer to other countries. The Complaint alleged that the purpose of this program was to make the organizations appear larger than they were and to hide their high fundraising costs. The Complaint also alleged that the leaders of these sham charities used donated funds to pay

themselves exorbitant salaries and for trips to Thailand, Las Vegas and Disneyworld. The Reynolds' also bought themselves cars, boats, jet skis and houses, and used the charities' credit cards to buy designer handbags, jewelry and clothing, and to pay for day-to-day expenses such as gas, groceries and utility bills.

The money will be transferred to Rockefeller Philanthropy Advisors (RPA) who, under a services agreement with the plaintiffs, will distribute the funds to select health and medical programs targeting breast and pediatric cancer. Eligibility will be determined through an invitation-only application process, and is limited to NCI-designated Cancer Care Centers, a designation bestowed by the National Cancer Institute on institutions and programs recognized for their scientific leadership, resources, and the depth and breadth of their research. RPA CEO Melissa Berman noted, "We are pleased to be part of this landmark process of ensuring that the philanthropic intent of donors is coming to fruition, despite the conduct of bad actors." RPA will ensure that the funding will serve patients in all 50 states, and will monitor, ensure compliance and provide detailed reporting for all grants awarded.



## PRESS RELEASE

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### **Attorney General Frosh Announces \$600 Million Settlement with Equifax**

#### ***Settlement Includes up to \$425 Million in Consumer Restitution Following Investigation into 2017 Data Breach***

**BALTIMORE, MD (July 22, 2019)** – Maryland Attorney General Brian E. Frosh today announced a [settlement](#) with Equifax as the result of an investigation into a massive 2017 data breach. Led by Maryland, the investigation found that Equifax’s failure to maintain a reasonable security system enabled hackers to penetrate its systems, exposing the data of 56 percent of American adults - the largest-ever breach of consumer data in history. The settlement with Equifax includes a Consumer Restitution Fund of up to \$425 million, a \$175 million payment to the states, and injunctive relief, which also includes a significant financial commitment. This is the largest data breach enforcement action in history.

“Equifax’s data breach affected the personal information of millions of Americans, leaving them vulnerable to identity theft and misuse of their personal records,” said Attorney General Frosh. “Our investigation and settlement will result in restitution to affected consumers. It also requires Equifax to make significant changes in the way it does business. Its protection of the personal information that it collects will be enhanced significantly, and Equifax will pay for oversight and monitoring to ensure that it does its job.”

On September 7, 2017, Equifax, one of the largest credit reporting agencies in the world, announced a data breach affecting more than 147 million consumers – more than half of the U.S. population. Breached information included social security numbers, names, dates of birth, addresses, credit card numbers, and in some cases, driver’s license numbers.

A coalition that grew to include 50 attorneys general launched a multi-state investigation into the breach. The investigation found that the breach occurred because Equifax failed to implement an adequate security program to protect consumers’ highly sensitive personal information. Despite knowing about a critical vulnerability in its software, Equifax failed to patch its systems. Additionally, Equifax failed to replace software that monitored the breached network for suspicious activity. As a result, the attackers penetrated Equifax’s system and went unnoticed for 76 days.

Under the terms of the settlement, Equifax agreed to provide a Consumer Restitution Fund of up to \$425 million. The company will offer affected consumers extended credit-monitoring services for a total of 10 years.

Equifax has also agreed to take a number of steps to assist consumers who are either facing identity theft issues or who have already had their identities stolen. Those services include:

- making it easier for consumers to freeze and thaw their credit;
- making it easier for consumers to dispute inaccurate information in credit reports; and
- requiring Equifax to maintain sufficient staff dedicated to assisting consumers who may be victims of identity theft.

Equifax has also agreed to strengthen its security practices going forward, including:

- reorganizing its data security team;
- minimizing its collection of sensitive data and the use of consumers' Social Security numbers;
- performing regular security monitoring, logging and testing;
- employing improved access control and account management tools;
- reorganizing and segmenting its network; and,
- reorganizing its patch management team and employing new policies regarding the identification and deployment of critical security updates and patches.

Equifax also agreed to pay the states a total of \$175 million, which includes \$5.7 million for Maryland.

Consumers who are eligible for redress will be required to submit claims online or by mail. Paper claims forms can also be requested over the phone. Consumers will be able to obtain information about the settlement, check their eligibility to file a claim, and file a claim on the Equifax Settlement Breach online registry. To receive email updates regarding the launch of this online registry, consumers can sign up at [ftc.gov/equifax](https://ftc.gov/equifax). Consumers can also call the settlement administrator at 1-833-759-2982 for more information. The program to pay restitution to consumers will be conducted in connection with settlements that have been reached in the multi-district class actions filed against Equifax, as well as settlements that were reached with the Federal Trade Commission and Consumer Financial Protection Bureau.

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



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**Attorney General Frosh Announces Settlement with Jason Barry  
Oseroff and Evergreen Management LLC**  
*Property Management Company Will Pay Restitution and Penalties for  
Misappropriating \$2 million from Homeowners Associations and Condominiums*

**BALTIMORE, MD (July 31, 2019)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has settled charges against Jason Barry Oseroff and Evergreen Management, LLC (Evergreen), a property management company for homeowners associations (“HOAs”) and condominiums, for misappropriating at least \$2 million entrusted to them by at least 1,524 consumers.

Charges against Oseroff and Evergreen were brought in April 2019, alleging that the property management company, based in Largo and Silver Spring, Maryland, and its owner, violated the Consumer Protection Act by using the financial accounts of homeowners associations and condominiums for their own benefit rather than that of the homeowner members of the HOAs and condominiums. Oseroff did this by exercising his control over the association bank accounts to directly take money for himself and his family members. When one HOA account was drained, Oseroff improperly transferred funds from another HOA account to hide the shortfall. Oseroff and his company also liquidated his clients’ reserve funds and investments without their authorization.

The settlement requires Oseroff to cease managing condominiums and homeowners associations and to provide the Consumer Protection Division with a \$100,000 surety bond if he ever obtains signatory authority over any bank accounts other than personal/familial accounts. Oseroff and the company must also return all of the monies they owe to consumers and pay penalties to the Division in the amount of \$300,000.00, which may be reduced if full refunds are made to consumers.

“Property management companies are entrusted with the funds of homeowners. When they use those funds for their own benefit, they violate that trust and break the law as well,” said Attorney General Frosh. “The actions of Oseroff and Evergreen have caused harm to many individuals and to the financial health of their clients.”

Homeowners associations and condominiums who are owed refunds from Oseroff and Evergreen Management may call the Consumer Protection Division hotline at 410-528-8662 or 1-888-743-0023.



## PRESS RELEASE

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### **Attorney General Frosh, Secretary of State Wobensmith Announce Multistate Settlement with Organization that Claimed to Help Servicemembers**

**BALTIMORE, MD (August 14, 2019)** – Maryland Attorney General Brian E. Frosh and Secretary of State John C. Wobensmith announced today that Maryland has joined a multistate settlement with Hearts 2 Heroes Inc., a for-profit company doing business as Active Duty Support Services Inc., which made door-to-door sales of “care packages” ostensibly to be sent to servicemembers overseas. The states allege that the company violated state consumer protection and charitable solicitation law, including the Maryland Solicitations Act, by misrepresenting the nature of the business and the care packages purchased, and by misusing donated funds. Under the terms of the settlement, the company has ceased operations and its owners are permanently banned from engaging in charitable solicitations or working for a charitable organization.

The states allege that Hearts 2 Heroes violated state consumer protection and charitable solicitation law by:

- leading prospective donors to believe that Hearts 2 Heroes is a charity, when it is not, and that donations made are tax deductible, when they are not;
- delivering care packages, if delivered at all, to military bases in the United States, not overseas as represented;
- representing to consumers that staff were veterans or volunteers when in fact those staff were not veterans or volunteers; and,
- employing staff who would “skim” cash donations for personal use.

The settlement also includes a \$286,959.95 restitution judgment against the now-defunct company, which will be held in abeyance and enforced if the terms of the settlement are not met, and a total of \$10,000 in payments to the states.

“Solicitors for this sham charity went door to door to deceive donors, under the guise of helping members of our military,” said Attorney General Frosh. “This is another reminder to give wisely and remain vigilant against those who take advantage of the goodwill and generosity of donors.”

“Through collaboration with neighboring state charity regulators, we have put an end to another charity scheme targeting Maryland’s citizens,” said Secretary Wobensmith. “I commend the dedication and commitment of the multistate team for the result in this case.”

In addition to Maryland, the settlement included the states of Pennsylvania, Virginia, and West Virginia.

The Secretary of State registers and regulates charitable organizations and their professional solicitors who operate in Maryland. Together with the assistance of the Maryland Attorney General, the Secretary of State enforces Maryland's charitable giving laws to ensure that donations are used for their intended purpose. Maryland donors may visit <http://sos.maryland.gov/Charity/Pages/Giving-Wisely.aspx> on the Secretary of State's website for tips on how to give wisely to charities.

Any questions about the settlement can be directed to Assistant Attorney General Josaphine B. Yuzuik at (410) 260-3855.

Individuals who think that they may have been a victim of a deceptive or illegal charitable solicitation, may call the Charities and Legal Services Division, Secretary of State's Office, at [410-974-5521](tel:410-974-5521) or [1-800-825-4510](tel:1-800-825-4510).





## PRESS RELEASE

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### **Attorney General Frosh Announces New Effort to Halt Illegal Robocalls**

**BALTIMORE, MD (August 22, 2019)** – Maryland Attorney General Brian E. Frosh today announced that as a result of a bipartisan, public/private coalition of 51 attorneys general and 12 phone companies, the phone companies have agreed to adopt [eight principles](#) to fight illegal robocalls. This agreement will help protect phone users from illegal robocalls and make it easier for attorneys general to investigate and prosecute bad actors.

“We are harassed by robocalls every day. It is the number one complaint to attorneys general offices across the country,” said Attorney General Frosh. “The goal of many of the individuals making these calls is to steal your identity or steal your money. These annoying and relentless calls are difficult to track and difficult to prosecute. Most often they originate outside our states and even outside our country. The principles announced today will help prevent these calls and provide law enforcement with the information needed to track down and prosecute those making illegal robocalls.”

The principles address the rapidly increasing robocall problem in two main ways: prevention and enforcement. Phone companies will work to prevent illegal robocalls by:

- Implementing call-blocking technology at the network level at no cost to customers;
- Making available to customers additional, free, easy-to-use call blocking and labeling tools;
- Implementing technology to authenticate that callers are coming from a valid source;
- Monitoring their networks for robocall traffic.

Phone companies will assist attorneys’ general anti-robocall enforcement by:

- Knowing who their customers are so those making robocalls can be identified and investigated;
- Investigating and taking action against suspicious callers – including notifying law enforcement and state attorneys general;
- Working with law enforcement, including state attorneys general, to trace the origins of illegal robocalls;
- Requiring telephone companies with which they contract to cooperate in traceback identification.

Going forward, phone companies will stay in close communication with the coalition of attorneys general to continue to optimize robocall protections as technology and scammer techniques change.

“The principles offer a comprehensive set of best practices that recognizes that no single action or technology is sufficient to curb the scourge of illegal and unwanted robocalls,” said Henning Schulzrinne, Levi Professor of Computer Science and Electrical Engineering at Columbia University “I hope that all parts of the telecommunication industry, both large and small, will commit to rapidly implementing these principles and work with state and federal authorities to make people want to answer their phone again without fear of being defrauded or annoyed.”

The coalition includes attorneys general from all 50 states and Washington, D.C.

The coalition of companies includes AT&T, Bandwidth, CenturyLink, Charter, Comcast, Consolidated, Frontier, Sprint, T-Mobile, US Cellular, Verizon, and Windstream.



## PRESS RELEASE

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### **Attorney General Frosh Announces Charges Against Event Ticket Sales, LLC and Guinio Volpone for Deceptive Marketing Practices** *Ticket Reseller Charged with Misleading Consumers by Using Names of Maryland Venues in Its Web Addresses*

**BALTIMORE, MD (September 26, 2019)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has filed [charges](#) against Event Ticket Sales, LLC and Guinio Volpone for violations of the Maryland Consumer Protection Act and Maryland’s Interference With Internet Ticket Sales law.

Event Ticket Sales and Volpone resell entertainment event tickets through several different websites. The Consumer Protection Division alleges that the company and Volpone are using lower-level Internet domain names—names that appear in the ticket seller’s internet address—that include Maryland venues without the venues’ authorization and falsely imply that they are sponsored or approved by the relevant event or venue, when they are not. This practice violates Maryland’s Interference With Internet Ticket Sales law, which seeks to protect consumers searching for tickets on the Internet from being misled into believing that they are buying tickets from the venue at face value, rather than from a ticket reseller, like Event Ticket Sales, which charges a sizeable premium.

“It is a violation of our consumer protection laws to suggest, falsely, that a ticket seller is affiliated with a Maryland venue. It is even worse when a ticket reseller jacks up the ticket price to boot,” said Attorney General Frosh. “Even if a company is based in another state, our laws are in place to protect Maryland consumers from deception like this.”

The Division is seeking restitution, an injunction preventing Respondents from further violating Maryland law, as well as civil penalties and costs.

A hearing on the Division’s charges is scheduled for December 19, 2019, 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 1-888-743-0023.



## PRESS RELEASE

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### **Attorney General Frosh Sues Unlicensed Home Improvement Contractor**

***Contractor Allegedly Collected Advance Payments, Failed to Complete Work. AG Also Seeking Over \$1.2 Million Owed to Consumers Under Prior Settlement.***

**BALTIMORE, MD (October 17, 2019)** – Maryland Attorney Brian E. Frosh announced that his Consumer Protection Division has filed charges against John Eberl for taking money from consumers for home improvement projects, but failing to provide the work or refund the money. The Division also alleged that Eberl’s offer and sale of the home improvement services without a license violated the Consumer Protection Act. Under Maryland law, home improvement contractors must be licensed by the Maryland Home Improvement Commission.

The complaint filed by the Division alleges that Eberl contracted with several consumers in Prince George’s, Harford, Caroline, Montgomery, and Howard Counties to build patios, fences, and other home improvements, and collected large deposits—often thousands of dollars—before performing any work. The Division alleged that after collecting the deposits, Eberl failed to complete the work, and in many cases, never even started. The Division alleges that at no point did Eberl have the licenses required to offer, sell, or provide home improvements. The complaint seeks an order requiring Eberl to pay consumers back, to cease violating the law, and to pay a penalty for his violations.

In addition, the Division is also seeking an order requiring Eberl and Kelly Burke, his former business associate, to pay amounts they owe under a previous settlement agreement. Eberl and Burke entered into a settlement agreement with the Division in 2014 to resolve similar allegations that the sports uniform company they operated, Sports55, Inc., took payment from consumers for uniforms that they never provided. The prior settlement requires Burke and Eberl to return all the money they collected from consumers who did not get their uniforms or receive refunds, but those amounts have not been fully paid.

“Taking advance payments, failing to perform the promised work, refusing to provide refunds, and failing to obtain proper licenses are all violations of Maryland’s consumer protection laws,” said Attorney General Frosh. “We are seeking relief that will make the homeowners whole, and we are asking the court to impose penalties on Eberl as well.”

Home improvement contractors are required to be licensed by the Maryland Home Improvement Commission. Consumers can verify a contractor’s license through the Home Improvement Commission’s web site, [www.dllr.state.md.us/license/mhic](http://www.dllr.state.md.us/license/mhic). In addition, in Maryland, it is

against the law for a contractor to accept more than one-third of the total contract price in advance.

Consumers with complaints against Eberl may call the Consumer Protection Division at 410-528-8662, 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, MD 21202.



## PRESS RELEASE

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### **Attorney General Frosh Announces \$116 Million Multistate Settlement with Johnson & Johnson and Ethicon, Inc.**

**BALTIMORE, MD (October 17, 2019)** — Maryland Attorney General Brian E. Frosh announced a multistate settlement with Johnson & Johnson and its subsidiary Ethicon, Inc. over allegations they deceptively promoted Ethicon transvaginal surgical mesh medical devices in violation of the Consumer Protection Act.

The attorneys general allege that the companies engaged in unfair or deceptive trade practices in their promotion of several Ethicon transvaginal surgical mesh devices used to treat either stress urinary incontinence, pelvic organ prolapse, or both by misrepresenting the safety and effectiveness of the devices and by failing to sufficiently disclose risks associated with their use.

“We alleged that Johnson & Johnson and Ethicon failed to disclose the significant risks posed by the use of Ethicon transvaginal surgical mesh, putting women at risk of suffering painful and life-altering injuries,” said Attorney General Frosh. “These companies will pay millions of dollars due to this conduct, and Ethicon will disclose important risk information to patients and doctors going forward.”

Transvaginal surgical mesh is a device made from synthetic material that is permanently implanted to support the urethra to treat stress urinary incontinence or to reinforce a weakened vaginal wall to repair pelvic organ prolapse.

The attorneys general allege that the companies misrepresented or failed to adequately disclose the risks of Ethicon’s transvaginal surgical mesh devices, including chronic pain and inflammation, mesh erosion through the vagina, incontinence developing after surgery, painful sexual relations, and vaginal scarring. The attorneys general also allege that the companies were aware of the possibility for serious medical complications but did not provide sufficient warnings to consumers or surgeons who implanted the devices.

Under the settlement, Johnson & Johnson and Ethicon have agreed to pay \$116,860,000.00 to the 41 participating states and the District of Columbia. The settlement also provides injunctive relief, requiring the disclosure of the significant risks associated with Ethicon’s transvaginal surgical mesh devices, as well as prohibiting Ethicon from misleading consumers when promoting these devices and from making misrepresentations in the materials that accompany these devices.

Among the specific requirements of the settlement, Ethicon must:

- Ensure that product training provided to medical professionals covers all of the significant risks included in the instructions for use that accompany the devices;
- As soon as practicable, refrain from claiming in its instructions for use that accompany the devices that:
  - o The surgical mesh remains elastic after implantation;
  - o The surgical mesh remains soft, supple or pliable after implantation;
  - o Foreign body reactions are transient; and
  - o Foreign body reactions “may” occur (when in fact they will occur);
- As soon as practicable, disclose in its instructions for use that accompany the devices that risks include:
  - o Fistula formation and inflammation;
  - o Excessive contraction or shrinkage of the tissue surrounding the mesh;
  - o Pain with intercourse and loss of sexual function, which in some patients may not resolve;
  - o Urge incontinence, including new urge incontinence;
  - o Infection;
  - o Vaginal scarring; and
  - o That revision surgeries may be necessary to treat complications, that revision surgeries may not resolve complications, and that revision surgeries are also associated with a risk of adverse reactions;
- As soon as practicable, disclose in its instructions for use that accompany the devices that the devices present ongoing risks of mesh extrusion, exposure, and erosion into the vagina and other structures or organs;
- Refrain from making representations in its promotions that are inconsistent with the information contained in the instructions for use that accompany the devices; and
- In written promotions, include a complete description of the significant risks set forth in the instructions for use that accompany the devices.

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



## PRESS RELEASE

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### **Attorney General Frosh Sues Westminster Management, LLC and 25 Property Owners for Illegal and Harmful Rental Practices** *Consumer Protection Division Files Charges Alleging Illegal Fees, Failure to Properly Maintain Rentals, Improper Security Deposit Practices, and Failure to Maintain Required Licenses*

**BALTIMORE, MD (October 23, 2019)** – Maryland Attorney General Brian E. Frosh today announced that his Consumer Protection Division has filed charges against Westminster Management, LLC, a New Jersey-based corporation, and the 25 companies that own or previously owned 17 residential communities managed by Westminster Management in Maryland. The properties in question contained nearly 9,000 rental units across Baltimore City, Baltimore County, and Prince George’s County, and the case brought by the Attorney General seeks redress for conduct to which the charges allege tens of thousands of current and former residents of the communities were subjected.

According to the [Statement of Charges](#), Westminster Management and the rental property owners misrepresented the quality of the rental units and the level of maintenance that they would provide, and they routinely failed to address hazardous conditions in the properties, including rodent and vermin infestations, water leaks, and mold growth, forcing tenants to vacate their homes or live in unsanitary conditions.

The Division also alleges that Westminster Management and the owners have demanded, collected, and retained hundreds of thousands of dollars in illegitimate fees from prospective and actual tenants, including charging application fees that exceeded the amounts permitted under Maryland law. Under Maryland’s Application Fee Law, landlords can only charge \$25 or their actual costs to process the application. The Division alleges that Westminster Management and the owners did not incur costs of more than \$25 to process tenant applications, but routinely charged application fees in excess of \$25. In addition, the Division claims that when Westminster Management and the owners filed eviction actions against tenants who were late paying their rent, they frequently charged additional fees that they never incurred, as well as fees that they were not entitled to collect under Maryland’s eviction laws.

The Division is also charging Westminster Management and the owners with repeatedly violating Maryland’s Security Deposit Law, which allows landlords to collect security deposits from their tenants, but requires the deposits to be returned to the tenant, along with an accounting of any amounts deducted for lost rent, damages due to breach of lease, and damages to the rental property in excess of ordinary wear and tear. According to the Division’s charges, Westminster Management and the owners routinely withheld damages from tenants’ security deposits that were not caused by the tenants and constituted ordinary wear and tear, such as worn carpeting.

Finally, the Division’s charges allege that Westminster Management engaged in illegal debt collection practices, as it did not maintain a license to collect debt, and that the owners of two Baltimore City



properties, Dutch Village Apartments and Pleasantview Apartments, failed to maintain the multi-family dwelling licenses required to legally rent apartments to consumers.

“We allege that the property owners and their property management company violated numerous consumer protection laws, which harmed thousands of Maryland consumers,” said Attorney General Frosh. “We’re charging that Westminster and the rental property owners in this case took advantage of consumers, primarily low- and middle-income families, collecting fees and other unlawful costs from them and often failing to make the repairs needed to maintain suitable environments for their tenants.”

The properties at issue are Carriage Hill Apartments, Carroll Park Apartments, Charlesmont Apartment Homes, the Commons at White Marsh Apartments, Cove Village Apartments, Dutch Village Apartments, Essex Park Apartments and Townhomes, Fontana Village Apartments, Gwynn Oaks Landing Apartments, Hamilton Manor Apartments, Harbor Point Estates, Highland Village Townhomes, Morningside Park Townhomes, Pleasantview Apartments, Princeton Estates Apartment Homes, Riverview Townhomes, and Whispering Woods Apartments.

The Respondents named in the Attorney General’s charges are Westminster Management, LLC; Carriage Hill Investment Limited Partnership; Carroll Park Holdings LLC; Commons at Whitemarsh I, II, V, LLC, Commons at Whitemarsh III, LLC; Commons at Whitemarsh IVA, LLC; Commons at Whitemarsh IVB, LLC; Dutch Village, LLC; Essex Park Holdings LLC; Fontana, LLC; Hamilton Manor Apartments, LLC; Harbor Point Estates I, II, IV, LLC; Harbor Point Estates III, LLC; Highland #179, LLC; Highland #241, LLLP; Highland #689, LLC; Morningside Park Holdings LLC; Pleasantview, LLC; Princeton Estates Limited Partnership; Riverview Apartments, LLC; RP Cove Village, LLC; SRH Charlesmont, LLC; SRH Fox Haven, LLC; SRH Woodmoor, LLC; Whispering Woods #250, LLC; and Whispering Woods #299 Limited Partnership.

The Division is seeking an injunction requiring Westminster and the property owners to stop charging illegal fees, maintain the required licenses, to cease and desist engaging in unfair and deceptive practices, and to provide the safe and sanitary properties that they promise. The charges also seek the payment of restitution and penalties for violations of Maryland’s Consumer Protection Act. The Division has requested that a hearing on its Statement of Charges begin on January 21, 2020.

For more information, affected consumers may call the Consumer Protection hotline at (410) 528-8662 or toll free at (888) 743-0023.



## PRESS RELEASE

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**Report: Health Education and Advocacy Unit Saves Nearly \$2.5 Million for Patients, Maryland Consumers**  
*Annual Report Reveals More Than 50% of Carrier Denials Are Overturned or Modified When Consumers Seek HEAU Assistance*

**BALTIMORE, MD (November 6, 2019)** – Maryland Attorney General Brian E. Frosh announced today that the Health Education and Advocacy Unit (HEAU) within the Consumer Protection Division of the Office of the Attorney General closed 1,974 cases in Fiscal Year 2019, assisting patients in saving or recovering nearly \$2.5 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.

“When consumers seek assistance from the Health Education and Advocacy Unit, carrier denials are overturned or modified more than 50% of the time,” said Attorney General Frosh. “The HEAU continues to obtain positive outcomes for consumers who file complaints with the office.”

In one case mediated by the HEAU, the mother of a minor contacted the HEAU after attempting to refill a medication needed by her daughter for a rare endocrine disorder. The copayment for the medication had increased from \$150 to \$764.50—an increase of over 400 percent—for a 90-day supply after her federal employee pharmacy benefit manager moved the drug to Tier 3, its non-preferred drug list. The HEAU assisted the consumer in obtaining a renewable formulary tier exception through the end of 2019.

In two separate cases mediated by the HEAU, newborn infants at hospitals that were in-network with the parents’ health plans were, unbeknownst to the parents, examined by the hospitals’ out-of-network pediatric medical group. The claims for these services were processed as out-of-network by the carriers, leaving each set of parents with balance bills of \$1,175 and \$1,456, respectively. In one of these cases, the birth mother had experienced this exact same scenario with her first child, and specifically asked that no pediatric services be performed by out-of-network providers. HEAU assisted both sets of parents in appealing the denials and contesting

the balance billing with the out-of-network pediatric medical group, resulting in reversal of those denials.

Of the cases closed by the HEAU in FY 2019, 808 were appeals and grievances-related cases. The HEAU mediation process resulted in health plans overturning or modifying 53% of their denials, and resulted in health plans changing their decisions 59% of the time in cases involving at least one Maryland Insurance Administration (MIA) regulated plan.

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 [www.MarylandCares.org](http://www.MarylandCares.org).



## PRESS RELEASE

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### **Annual Report: Attorney General’s Home Builder Guaranty Fund Pays Out over \$388,000 to Maryland Home Buyers**

**BALTIMORE, MD (November 27, 2019)** – Maryland Attorney General Brian E. Frosh announced today that in FY 2019, the Home Builder Guaranty Fund (the Guaranty Fund), administered by his Consumer Protection Division, paid a total of \$388,160.39 to claimants as reimbursement for losses resulting from acts or omissions by registered home builders related to new home construction. In addition, the registrations of five builders were suspended. The total payout from the Guaranty Fund to Maryland consumers over the past five years exceeds \$2 million. This information was included as a part of the comprehensive 2019 Annual Report of the Home Builder Registration Unit submitted to the Governor and General Assembly.

The Maryland Home Builder Registration Act (HBRA) protects new home buyers by requiring builders to register with the Division and by providing an enforcement mechanism that allows the Division to prevent builders with a bad track record from continuing to build in Maryland. The Division’s [Home Builder Registration Unit](#) administers and enforces the HBRA. During its 2008 Legislative Session, the General Assembly enacted legislation to provide additional protections for home buyers, establishing the Guaranty Fund and adding a registration requirement for sales representatives for Maryland home builders. The Guaranty Fund protects buyers of new homes who purchase a new home from a registered home builder and suffer an actual loss as the result of:

- Incomplete construction of a new home;
- Breach of an express or implied warranty;
- Failure to meet construction standards or guidelines; or
- Failure to return a deposit or other payment to which the home buyer is entitled.

The Home Builder Unit also reached settlement agreements with seven builders in FY 2019 in which the home builders and principals have agreed to pay penalties and costs totaling over \$40,000 to settle allegations that they violated Maryland’s home building laws, including operating as a home builder without being registered, failing to disclose required information to the Unit in their registration applications, or failing to include required disclosures in their contracts with Maryland consumers.

“The Guaranty Fund allows consumers to receive compensation that they might not otherwise have been able to recover for the losses they suffered at the hands of home builders that violate Maryland law,” said Attorney General Frosh. “Before paying any money to a home builder, consumers should take steps to protect their investment by making sure that their homes are built

by registered home builders and that any deposits are protected by escrow accounts, bonds, or letters of credit.”

Under state law, home builders in Maryland are required to give consumers a booklet prepared by the Office of the Attorney General that describes consumers’ rights under the law and steps consumers can take to protect themselves. A copy of the booklet can be found [here](#). Consumers who have had problems with their new homes should contact the Division’s Mediation Unit at 410-528-8662 in Baltimore or call toll free at 877-259-4525. Consumers can also file a claim by using the New Home Complaint and Guaranty Fund Claim Submission Form, which can be found [here](#). The Office of the Attorney General encourages home buyers to check whether their builders are registered by calling or visiting [Registered Home Builders](#).

Copies of this year’s report and previous years’ reports can be found [here](#).



## PRESS RELEASE

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### **Surrogacy Services Provider Ordered to Pay More Than \$2 Million in Penalties and Restitution**

*The Surrogacy Group and Its Owner, Greg Blosser, Sold Surrogacy Services to  
Would-be Parents, Used Money for Personal Benefit*

**BALTIMORE, MD (December 4, 2019)** – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division issued a Final Order against Greg Blosser and his company The Surrogacy Group, LLC, an Annapolis-based company, for violating the Consumer Protection Act when it sold surrogacy services to consumers for tens of thousands of dollars, but did not provide the promised services.

The Surrogacy Group’s victims resided in Maryland and other states and countries. In [April 2019](#), Attorney General Frosh obtained a preliminary injunction in the Circuit Court for Anne Arundel County barring The Surrogacy Group from selling any further surrogacy services from Maryland or to consumers residing in Maryland. The Final Order issued this week by the Consumer Protection Division now has a permanent injunction that will prevent The Surrogacy Group from further harming consumers, as well as an order requiring The Surrogacy Group to pay a \$1,479,000 penalty and return all of the monies it collected from consumers who did not receive promised surrogacy services.

“As the owner of The Surrogacy Group, Greg Blosser deceived and defrauded people who placed their dreams of parenthood in his hands,” said Attorney General Frosh. “Blosser victimized these intended parents for his own personal financial benefit. This Order bars Blosser and his company from harming any other Maryland consumers.”

Surrogacy is an arrangement whereby a woman, who acts as a gestational carrier, agrees to become pregnant, carry the pregnancy to term, and give birth to the child for another person who ultimately becomes the parent of the newborn child. Intended parents sometimes seek to have children through a gestational carrier when pregnancy is medically impossible or when pregnancy risks are unacceptable.

The Surrogacy Group charged fees of generally between \$12,000 and \$25,000 for services, followed by additional amounts that were supposed to be held in escrow to pay for medical expenses and other costs incurred for its clients’ surrogates. Instead of holding consumers’ payments in escrow and providing the services consumers purchased, Blosser wrongfully converted consumers’ payments for his own personal uses. At one time, when The Surrogacy

Group's escrow account should have held hundreds of thousands of dollars or more of consumers' monies, it had a balance of less than \$2,000.

The Division found that the 21 consumers who testified at the hearing were owed at least \$612,931.33 for payments they made to The Surrogacy Group for services that were not provided. In addition to financial harm, the Division found that 11 of the testifying consumers suffered emotional harm when they wasted years relying on The Surrogacy Group to help them have children.

After Attorney General Frosh obtained the preliminary injunction earlier this year, The Surrogacy Group's owner was arrested by the FBI and charged with federal wire fraud. That case is still pending before the United States District Court for the District of 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 Announces Settlement with Event Ticket Sales, LLC and Guinio Volpone**

#### ***Settlement and Restitution Resolves Allegations That They Falsely Suggested Their Websites Were Affiliated with Maryland Venues***

**BALTIMORE, MD (December 4, 2019)** – Maryland Attorney General Brian E. Frosh today announced that his Consumer Protection Division has settled charges against Nebraska-based Event Ticket Sales, LLC, an online event ticket reseller, and its owner, Guinio Volpone, for violations of the Maryland Consumer Protection Act and Maryland’s Interference With Internet Ticket Sales law.

Charges against Event Ticket Sales and Volpone were initially brought in September 2019, alleging that their ticket reseller websites unlawfully used Internet addresses, including the names of Maryland venues, without authorization and falsely implied that they were the official online box offices for Maryland venues selling tickets at face value, when in fact they were reselling event tickets at a sizeable premium.

The settlement requires Event Ticket Sales and Volpone to follow Maryland law, including not using domain names that contain the names of venues or events, and to improve the disclosures on their websites to make clear to consumers that the websites are reselling event tickets, often at above face value. The company and Volpone must also pay \$50,000 in restitution to compensate consumers who had purchased tickets from Event Ticket Sales since October 1, 2018, when the Interference With Internet Ticket Sales law came into effect.

“We are pleased that consumers affected by Event Ticket Sales’ and Volpone’s conduct will receive restitution as a result of this settlement,” said Attorney General Frosh. “Most importantly, this out-of-state company will be required to make changes so Maryland consumers are not misled in the future.”

Consumers who purchased tickets from Event Ticket Sales websites [secureboxoffice.com](http://secureboxoffice.com) or [box-officetickets.com](http://box-officetickets.com) after October 1, 2018, may call the Consumer Protection hotline at 410-528-8662 or toll-free at 888-743-0023 to inquire about refunds.