

CONSUMER PROTECTION DIVISION
OFFICE OF THE ATTORNEY GENERAL
STATE OF MARYLAND

Proponent,
v.
MARCIA BAILEY, *et al.*

Respondents.

* IN THE CONSUMER
* PROTECTION DIVISION
* OFFICE OF THE ATTORNEY
* GENERAL
* CPD Case No.: 21-010-337449
* OAH Case No.: OAG-CPD-04-
21-12386

ADMINISTRATIVE HEARING PROCESS

AUG 19 2022

Office of the Attorney General
Consumer Protection Division
FILED

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FINAL ORDER (REVISED)¹

The Consumer Protection Division of the Office of the Attorney General hereby orders Respondents Marcia Bailey (“Bailey”), Marcia Bailey, Inc. trading as Signature Accounting (“Signature Accounting”), Arthur Wittenberg, individually (“Wittenberg”), and Arthur Wittenberg as Trustee for the Wittenberg Family Trust (“Wittenberg Family Trust”) (collectively the “Respondents”) to cease and desist from violating the Consumer Protection Act (“CPA”), Md. Code Ann., Com. Law §§ 13-101 through 13-501, the Maryland Mortgage Assistance Relief Services Act (“MARS”), Md. Code Ann., Real Prop. §§ 7-501 through 7-511, the Maryland Credit Services Business Act (“MCSBA”), Md. Code Ann., Com Law §§ 14-1901 through 14-1916, and the Maryland Debt Management Services Act (MDMSA) Md. Code Ann., Fin. Inst. §§12-901 through 12-931 and to take affirmative action pursuant to § 13-403(b)(1) of the Consumer Protection Act as described herein.

¹ The Final Order has been revised to correct the cross-references noted in the August 17, 2022 letter from the Proponent. This Final Order supersedes the Final Order dated August 15, 2022.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Agency² hereby adopts and incorporates the Findings of Fact and Conclusions of Law that are attached hereto and incorporated as if fully set forth herein, which include the modifications set forth in the Agency's Ruling on the Proponent's Exceptions and correction of typographical errors set forth in Proponent's Exhibit A, attached to the Ruling on Exceptions.

DEFINITIONS

2. The term "bill payer service" shall mean the service of receiving funds from an obligor for the purpose of paying the obligor's bills, invoices, mortgages, or accounts.

3. The term "credit services businesses" shall mean any person who, with respect to the extension of credit by others, sells, provides, or performs, or represents that such person can or will sell, provide or perform, in return for the payment of money or other valuable consideration, services designed to improve a consumer's credit record, history, or rating or establishing a new credit file or record, or providing advice or assistance to a consumer with regard to improving the consumer's credit record, history, or rating or establishing a new credit file or record.

4. The term "debt management services" shall mean receiving funds periodically from a consumer under an agreement with the consumer for the purpose of distributing the funds among the consumer's creditors in full or partial payment of the consumer's debts.

5. The term "debt management services provider" shall mean a person that provides or offers to provide debt management services to a consumer.

² The Consumer Protection Division acting in its capacity as a quasi-judicial agency is referred to herein as the "Agency," while the Consumer Protection Division acting as the Proponent in the instant matter is referred to as "Proponent."

6. The term “debt resolution service” shall mean any service the purpose of which is to assist a consumer in resolving their outstanding debts and shall include debt management services, mortgage assistance relief services, and the services provided by a credit services business.

7. The term “money transmission services” shall mean the business of selling or issuing payment instruments or stored value devices, or receiving money or monetary value, for transmission to a location within or outside the United States by any means, including electronically or through the Internet. The term “money transmission” shall include: (i) a bill payer service; (ii) an accelerated mortgage payment service; and (iii) any informal money transfer system engaged in as a business for, or network of persons who engage as a business in, facilitating the transfer of money outside the conventional financial institutions system to a location within or outside the United States.

8. The term “mortgage assistance relief services” shall mean any service, plan, or program, offered or provided to the consumer in exchange for consideration, that is represented, expressly or by implication, to assist or attempt to assist the consumer with negotiating, obtaining, or arranging a modification of any term of a dwelling loan, including a reduction in the amount of interest, principal balance, monthly payments, or fees.

9. The term “mortgage assistance relief service provider” shall mean any person that provides, offers to provide, or arranges for others to provide, any mortgage assistance relief service.

10. The term “licensed services” shall mean any services which require an individual or entity offering, selling, or providing services to a consumer to possess a valid license or

registration issued by a federal, state, or local governmental agency including, without limitation, the Office of the Commissioner of Financial Regulation in the Maryland Department of Labor.

APPLICATION

11. The provisions of this Final Order shall apply to:

- (a) Marcia L. Bailey, individually, and all fictitious trade names under which Marcia L. Bailey does or may do business, including, without limitation, Marcia Bailey, Inc. trading as Signature Accounting, and to her agents, employees and assigns, and any partnership, corporation, or entity in which she either currently, or in the future, has an ownership interest, has authority to control, or has the authority to establish policy;
- (b) Marcia Bailey, Inc., and its officers, employees, agents, assignees, affiliates, merged or acquired entities, parent or controlling entities, and wholly owned subsidiaries.
- (c) The Wittenberg Family Trust and all its current and future trustees; and
- (d) Arthur Wittenberg, individually, and all fictitious trade names under which he does or may do business, including, without limitation, The Wittenberg Family Trust, and to his agents, employees and assigns, and any partnership, corporation, or entity in which he either currently, or in the future, has an ownership interest, has authority to control, or has the authority to establish policy.

12. The provisions of this Final Order shall apply to the Respondents' offer and sale of consumer goods, consumer services, or consumer realty to consumers residing in Maryland and to the Respondents' offer and sale of consumer goods, consumer services, or consumer realty when conducting business in Maryland with a consumer residing in another state or country.

CEASE AND DESIST PROVISIONS

13. The Respondents shall not offer or sell any goods or services to consumers to assist them in the payment of their debts, including debt resolution services, unless they are lawfully able to provide the goods or services and, in fact, provide the promised goods or services.

14. The Respondents shall not offer any goods or services to consumers without first obtaining all required licenses, registrations, and certifications.

15. The Respondents shall not offer or sell legal services to consumers unless they are a member, in good standing, of the Maryland bar and are otherwise lawfully able to perform the offered legal services.

16. The Respondents shall not offer or sell certified public accounting services to consumers unless they hold the required license and registration issued by the State Board of Public Accountancy and are otherwise lawfully able to perform the offered certified public accounting services.

17. The Respondents shall not represent to consumers that they are acting as a trustee, or otherwise acting for the benefit of consumers, unless the Respondents act solely for the benefit of consumers and do not take actions that are contrary to their representations or any fiduciary responsibilities that they owe consumers as a trustee.

18. The Respondents shall maintain all payments received from consumers for the performance of any future service, including any debt resolution service, in an escrow account maintained by a financial institution licensed to do business in Maryland consistent with the following requirements:

- (a) each consumer's payments shall be maintained in a separate escrow account;

(b) each escrow account shall be set up in each consumer's name and provide the consumer with the right to deposit funds, withdraw funds, and close or transfer the account without any limitation or interference by the Respondents;

(c) the Respondents shall ensure the financial institution in which the escrow accounts are maintained provides monthly statements to each consumer reflecting all account activities and transactions for the prior month; and

(d) the Respondents shall not make any withdrawals or disbursements from the account(s) other than:

(i) to pay themselves any fees explicitly authorized by the Maryland Mortgage Assistance Relief Services Act, the Maryland Credit Services Business Act, the Maryland Money Transmission Act, and the Maryland Debt Management Services Act; and

(ii) to make payments on behalf of consumers in connection with the provision of any mortgage assistance relief services, credit services, money transmission services or debt management services as authorized by Maryland law.

19. The Respondents shall immediately cease and desist from engaging in unlawful mortgage assistance relief services in violation of the Maryland Mortgage Assistance Relief Services Act and the Maryland Consumer Protection Act.

20. The Respondents shall not violate Real Prop. § 7-502 or 12 CFR § 1015.3(a) by representing to consumers in connection with the performance of mortgage assistance relief services that consumers cannot and should not contact or communicate with their lenders.

21. The Respondents shall not violate Real Prop. § 7-502 or 12 CFR § 1015.3(b) by misrepresenting material aspects of the mortgage assistance relief services they offer to provide, including but not limited to:

- (a) the likelihood of negotiating, obtaining, or arranging any represented services or result;
- (b) the amount of time it will take to accomplish any represented services or result;
- (c) that the mortgage assistance relief provider has completed a represented service, or has a right to receive payment;
- (d) that the consumer will receive legal representation; and
- (e) the amount of money that a consumer may save using their services.

22. The Respondents shall not violate Real Prop. § 7-502 and 12 CFR § 1015.3(c) by making any representation, expressly or by implication, about the benefits, performance, or efficacy of their services that is not based on competent and reliable evidence.

23. The Respondents shall comply with Real Prop. §7-502 and 12 CFR §1015.4 by providing the specific disclosures regarding consumer rights in general and consumer-specific commercial communications to consumers.

24. The Respondents shall not violate Real Prop. §7-502 and 12 CFR §1015.5(a) by receiving or requesting fees or payments prior to the execution of a written agreement between the consumer and the consumer's dwelling loan holder or servicer that incorporates the offered mortgage assistance relief services.

25. The Respondents shall immediately cease and desist from engaging in unlicensed and unlawful credit services in violation of the Maryland Credit Services Businesses Act and the Consumer Protection Act.

26. The Respondents shall not offer or sell credit services to consumers without being licensed by the Office of the Commissioner of Financial Regulation as required by Com. Law §14-1903(b).

27. The Respondents shall not collect money from consumers for credit services without being licensed by the Office of the Commissioner of Financial Regulation as required by Com. Law §14-1902(1).

28. The Respondents shall not operate a credit services business without having obtained a surety bond as required by Com. Law §14-1908.

29. The Respondents shall not make false and misleading representations to consumers in the offer or sale of credit services in violation of Com. Law §14-1902(4) by promising to improve a consumer's credit if the Respondents are unwilling or unable to do so.

30. The Respondents shall not engage, directly or indirectly, in acts, practices, or a course of business which operates as a fraud or deception on consumers in connection with the offer or sale of credit services in violation of Com. Law §14-1902(5).

31. The Respondents shall not charge or receive money from consumers prior to fully and completely performing promised credit services as required by Com. Law §§ 14-1902(6).

32. The Respondents shall provide consumers with the necessary information statements prior to entering into contracts with Maryland consumers to provide credit services as required by Com. Law §§ 14-1904 and 14-1905.

33. The Respondents shall not receive money from consumers or execute contracts with consumers prior to providing consumers with a written information statement as required by Com. Law § 14-1904(b) and § 14-1905.

34. The Respondents shall include the specific contract provisions and notices required by Com. Law §14-1906 in any contracts offered to Maryland consumers.

35. The Respondents shall immediately cease and desist from engaging in unlicensed and unlawful money transmission services in violation of the Maryland Money Transmission Act.

36. The Respondents shall not offer or sell money transmission services to consumers without being licensed by the Office of the Commissioner of Financial Regulation as required by Fin. Inst. § 12-405(a), obtaining the surety bond required by Fin. Inst. § 12-412(b), and complying with all other requirements set forth in the Maryland Money Transmission Act, as amended from time to time.

37. The Respondents shall immediately cease and desist from engaging in unlicensed and unlawful debt management services in violation of the Maryland Debt Management Services Act.

38. The Respondents shall not offer or sell debt management services to consumers without being licensed by the Office of the Commissioner of Financial Regulation as required by Fin. Inst. § 12-906(a), obtaining the surety bond required by Fin. Inst. § 12-914, and complying with all other requirements set forth in the Maryland Debt Management Services Act, including, but not limited to:

- (a) providing consumers with a written debt management services agreement that, among other things, discloses the existence of a surety bond, Fin. Inst. § 12-916(b);

- (b) providing consumers with a consumer education program, a written summary of debt counseling options and strategies, a financial analysis with an initial budget plan, disclosures, notices, and other specific contract provisions, Fin Inst. § 12-916;
- (c) not charging consumers any fee or receiving any payments from a consumer until after the execution of a debt management services agreement, Fin. Inst. § 12-918(a)(1);
- (d) not imposing or collecting a consultation fee that exceeds \$50, Fin. Inst. § 12-918(a)(2);
- (e) not imposing or collecting a monthly maintenance fee that exceeds \$8 for each creditor of a consumer that is listed in the debt management services agreement, Fin Inst. § 12-918(b)(1);
- (f) not imposing or collecting a total monthly maintenance fee that exceeds \$40 per month, Fin. Inst. § 12-918(c);
- (g) returning to the consumer any unauthorized fees, charges, funds, or payments collected from consumers, Fin. Inst. § 12-918(i)(2);
- (h) depositing in a trust account established for the benefit of consumers, within two (2) days after receipt, any money received by or on behalf of consumers for disbursement to the consumers' creditors, Fin. Inst. § 12-917(a), and disbursing the money to consumers' creditors within eight (8) business days from receipt, Fin. Inst. § 12-917(b)(2);
- (i) not commingling money received for the purpose of disbursement to consumers' creditors with the Respondents' operating, business, personal, or any other accounts, Fin. Inst. § 12-917(c); and

(j) not purchasing any debt or obligation of a consumer, obtaining a mortgage in property owned by a consumer, or compromising any debt of a consumer (without the prior written approval of the consumer), or otherwise violating any provision of state law governing debt management or other related services. Fin. Inst. § 12-920.

39. The Respondents shall not make any false, misleading, or deceptive representations or omissions of information in connection with the offer, sale, or performance of any service. Fin. Inst. § 12-920(a)(6).

40. The Respondents shall immediately cease and desist from engaging in any unfair, abusive, or deceptive trade practices in violation of the Consumer Protection Act.

41. The Respondents shall not make any false or misleading oral or written statements or other representations of any kind that have the capacity, tendency, or effect of deceiving or misleading consumers, including, but not limited to:

- (a) representing, explicitly or implicitly, to consumers that they hold the licenses and have obtained the surety bond required by the Maryland Credit Services Businesses Act, Maryland Money Transmission Act, and the Maryland Debt Management Services Act to offer, sell, and provide credit services, money transmission services, and debt management services, when, in fact, they do not hold such licenses, have not obtained the surety bond, and therefore, cannot lawfully offer, sell, or provide those services;
- (b) representing, explicitly or implicitly, to consumers the benefits, performance, or efficacy of the services they offer and sell unless they are willing and able to perform the represented services;
- (c) representing, explicitly or implicitly, their services will reduce or eliminate

consumers' debts and save consumers money, unless the Respondents are willing and able to provide the promised debt resolution services;

(d) representing, explicitly or implicitly, that and they will complete the services in a specified time frame unless the Respondents are willing and able to perform the promised services within that specified time frame;

(c) representing, explicitly or implicitly, that they can collect advance payments in connection with the offer or sale of mortgage assistance relief services, credit services, or debt management services, when the collection of such payments is prohibited by the Maryland Mortgage Assistance Relief Services Act, the Maryland Credit Services Businesses Act, and the Maryland Debt Management Services Act unless and until specified conditions are met;

(d) representing, explicitly or implicitly, they have performed promised mortgage assistance relief services, credit services, money transmission services, and debt management services that have not been performed or are not in compliance with the Maryland statutes that govern the promised services;

(e) representing, expressly or implicitly, that they can assist consumers with legal matters when they are unable to lawfully do so;

(f) representing, expressly or implicitly, that they can provide certified public accounting services when they are unable to lawfully do so;

(g) misrepresenting the status of a consumer's account or debt that the Respondents have been asked to resolve;

(h) representing, expressly or implicitly, that they have resolved or are resolving a debt

on behalf of a consumer when that debt remains either unpaid or delinquent; and

- (i) misrepresenting, expressly or implicitly, the amount of money held in any escrow account on behalf of consumers in connection with an agreement for promised mortgage assistance relief services, credit services, money transmission services, or debt management services, including providing any false or misleading information about account balances, account transactions, or the use of escrowed monies.

42. The Respondents shall not make representations that they have a sponsorship, approval, status, affiliation, or connection which they do not have including, but not limited to:

- (a) misrepresenting the Wittenberg Respondents' wealth and education;
- (b) misrepresenting that the Respondents are licensed by the Office of the Commissioner of Financial Regulation to offer, sell, or provide credit services, money transmission services, and debt management services;
- (c) misrepresenting that Bailey and Signature Accounting are licensed and able to offer, sell, or perform certified public accounting services; and
- (d) misrepresenting that the Respondents are licensed and able to offer, sell, or perform legal services.

43. The Respondents shall not fail to state any material fact, the omission of which would deceive or tend to deceive consumers, including, but not limited to:

- (a) failing to disclose that they are either unwilling or unable to provide the mortgage assistance relief services, credit services, money transmission services, and debt management services that they offer and sell to consumers;
- (b) failing to disclose that they are not licensed as required by the Maryland Credit

Services Businesses Act, the Maryland Money Transmission Act, and the Maryland Debt Management Services Act, and therefore, cannot lawfully provide such services to consumers;

(c) failing to disclose they did not forward consumers' money to consumers' creditors as promised;

(d) failing to inform consumers of the status of their debts or accounts, including that they are in default; and

(e) failing to provide consumers required disclosures and notices, including statements about consumer rights as required by the Maryland Mortgage Assistance Relief Services Act, the Maryland Credit Services Businesses Act, and the Maryland Debt Management Services Act.

44. The Respondents shall not engage in any deception, fraud, false pretense, false premise, make any misrepresentation, or knowingly conceal, suppress, or omit any material fact with the intent that a consumer rely on the same in connection with the promotion or sale of any consumer goods, consumer realty, or consumer services.

45. The Respondents shall not take any payments, deposits, or other consideration from consumers in advance of providing an offered good or service unless each of the Respondents first provides the Proponent with a surety bond (the "Bond") in a form acceptable to the Proponent in the amount of Five Hundred Thousand Dollars (\$500,000.00), and that meets the following conditions:

(a) The Bond shall be issued by a surety licensed to do business in Maryland (the "Surety") and shall provide that the Respondents and the Surety are held and firmly bound

to consumers who suffer any damage or loss in connection with any of the Respondents' failure to provide any purchased good or service.

(b) The Bond shall permit any consumer who suffers any damage or loss in connection with any of the Respondents' failure to provide any purchased good or service to file a claim for the consumer's damage or loss with the Surety and, if the claim is not paid, to bring an action based on the Bond in a court of competent jurisdiction and to recover against the Surety any damage or loss suffered by the consumer in connection with any of the Respondents' failure to provide any purchased good or service, as well as the costs of the legal action.

(c) The Bond shall also permit the Proponent to file a claim with the Surety for any damage or loss suffered by a consumer in connection with any of the Respondents' failure to provide any purchased good or service and, if the claim is not paid, to bring an action based on the Bond in a court of competent jurisdiction and to recover against the Surety any damage or loss suffered by a consumer in connection with any of the Respondents' failure to provide any purchased good or service, as well as the costs of the legal action.

(d) The Bond shall also permit the Proponent to file a claim with the Surety for costs and expenses it incurs in connection with its enforcement of this Final Order and, if the claim is not paid, to bring an action based on the Bond in a court of competent jurisdiction for the costs and expenses incurred by the Proponent in connection with its enforcement of this Final Order.

(e) The Bond posted by the Respondents pursuant to this paragraph shall remain in effect until five (5) years from the date the last claim is made, or if no claims are made,

five (5) years from the date it is first posted.

(f) The Respondents shall each provide the Proponent with a copy of the Bond and shall maintain accurate records of all premium payments made on it and claims and payments made from it. Commencing ninety (90) days from the date of the entry of this Final Order and annually thereafter for the duration of the Bond, the Respondents shall provide the Proponent with copies of all such records they maintain concerning the Bond.

(g) If a claim is filed with a Surety by the Proponent, notice shall be given by mailing a copy of the claim to the Respondents. Any notice to the Respondents that is made under this or any other subparagraph shall be made consistent with paragraphs 47 and 48.

46. The Respondents shall include in any contract or other agreement they enter with consumers for any good or service the following information:

(a) a notice informing consumers of the name, address and telephone number of the surety that provides the bond required under paragraph 45 and informing consumers of their ability to file claims with the surety if they suffer any damage or loss in connection with any of the Respondents' failure to provide any purchased any good or service; and

(b) a notice informing consumers that if they have any complaint concerning any of the Respondents' failure to provide any purchased any good or service, they may contact the Consumer Protection Division at 200 St. Paul Place, 16th Floor, Baltimore, MD 21202; (410) 576-6300 or toll-free: (888) 743-0023.

47. Any notice required hereunder that must be provided by the Consumer Protection Division to the Bailey Respondents shall be delivered by first-class mail, postage prepaid, to, Granville Templeton, Esq., Templeton Law Firm, 729 Pratt Street, Ste. 560

Baltimore, MD 21202, or such other address that may be designated in writing by the Bailey Respondents.

48. Any notice required hereunder that must be provided by the Consumer Protection Division to the Wittenberg Respondents shall be delivered by first-class mail, postage prepaid, to, Arthur Wittenberg, individually, and as trustee for the Wittenberg Family Trust, 201 Saint Charles Avenue, Suite 2500, New Orleans, LA 70170, 201 International Circle, Suite 230, Hunt Valley, MD 21030, or such other address that may be designated in writing by the Wittenberg Respondents.

RESTITUTION

49. The Agency finds that the Respondents, jointly and severally, unlawfully collected significant upfront fees and monthly payments from consumers for promised mortgage assistance relief services, credit services, money transmission services, and debt management services that they could not legally perform, representing they would reduce or eliminate consumers' debts and increase consumers' credit scores but the Respondents failed to perform the promised services, refused to refund the consumers' payments, and misappropriated the fees and payments received from consumers for the Respondents' personal use. As a result, consumers defaulted on their loans and faced foreclosures and repossessions and had their credit scores drop.

50. Within thirty (30) days of the entry of this Final Order, the Respondents, jointly and severally, shall pay restitution to the Agency equal to the sum of all monies they received from consumers for the mortgage assistance relief services, credit services, money transmission services, and debt management services that the Respondents illegally offered and sold to consumers and failed to provide, less any amounts that the Respondents can sufficiently document

were either refunded to consumers or transmitted to the consumers' creditors (the "Restitution Amount"). The Restitution Amount that the Respondents shall pay shall be at least \$772,939.66, and the following amounts shall be distributed to the following consumers from the Restitution Amount:

Douglas Anania	\$106,518.47
Enochia Anderson	\$78,458.11
Irvin and Patricia Betch	\$81,734.65
Eugene Harris	\$296,358.48
Felipe Hernandez	\$65,197.39
Brian Hockaday	\$11,972.56
Redeemed Christian Church of God, River of Life - Pastor David Ijeh	\$115,000
Gerard P. McGovern	\$17,700
Total	\$772,939.66

51. For consumers harmed by the Respondents' practices who are not listed in paragraph 53 above, the Respondents shall pay the Agency restitution equal to the amount of all funds that the Respondents received from consumers related to the Respondents' offer and sale of mortgage assistance relief services, credit services, money transmission services, and debt management services that have not already been refunded to consumers or that were not transmitted to consumers' creditors. The restitution amounts to be paid to the Agency under this paragraph shall be determined by the claims procedure set forth below.

52. Within thirty (30) days of the date of the entry of this Final Order, the Respondents shall provide the Proponent with the following information concerning each consumer from whom the Respondents received payments related to the Respondents' offer and sale of mortgage assistance relief services, credit services, money transmission services, and debt management services (the "Consumer List"):

(a) For each consumer whose name is contained on the Consumer List, the Respondents shall provide the following contact information:

- (i) the consumer's first name;
- (ii) the consumer's last name;
- (iii) the consumer's address;
- (iv) the consumer's telephone number;
- (v) the consumer's email address; and
- (vi) Social Security number (if available)

(b) For each consumer whose name is contained on the Consumer List, the Respondents shall provide the following information concerning the payments they collected from the consumer:

- (i) the date(s) the Respondents sold the mortgage assistance relief services, credit services, money transmission services, or debt management services to the consumer;
- (ii) the total of all payments including but not limited to upfront fees, monthly payments, and all other fees and payments the consumer paid to the Respondents for the mortgage assistance relief services, credit services, money transmission services, or debt management services;
- (iii) the total amount, if any, the Respondents paid to the consumers' creditors including the date of the payment, the name of the creditor, and the amount of the payment; and
- (iv) any amount the Respondents have refunded to the consumer.

The Respondents shall provide the Consumer List data in an Excel spreadsheet or any other format approved by the Proponent.

53. The Respondents shall provide the Proponent with all canceled checks, financial account statements, invoices, bills, and other business records that confirm any payment they claim they made that is listed in the Consumer List pursuant to subparagraph 52(b)(iii) and (iv). The Proponent shall not credit against the Restitution Amount payments listed in the Consumer List pursuant to subparagraph 52(b)(iii) and (iv) unless sufficient documentation of the payment has

been provided to the Proponent pursuant to this paragraph.

54. The Agency shall place the Restitution Amount it receives into an account to be maintained by the Agency that shall be used to pay restitution to consumers (the “Restitution Account”).

55. The Agency shall use the Restitution Amount it receives from the Respondents to pay restitution to consumers harmed by the Respondents’ unfair, abusive, and deceptive trade practices found herein.

56. The Proponent shall perform a claims process that will be conducted by a person or persons appointed by the Agency (hereinafter the “Claims Administrator”). The Claims Administrator may be an employee of the Agency or an independent claims processor.

57. The claims process shall consist of identifying and locating each consumer who is eligible to receive restitution pursuant to this Final Order, gathering all information necessary to determine the amounts of restitution due to each consumer who is eligible to receive restitution, and the mailing by the Claims Administrator of restitution payments to all such consumers and any other mailings that assist the claims process.

58. If it is possible to determine a consumer’s entitlement to relief from sources other than the consumer and the records provided by the Respondents, that relief shall be provided to the consumer without the necessity of the consumer submitting information in the claims process.

59. The Claims Administrator shall perform tasks to ensure a thorough and efficient determination of consumers’ claims pursuant to the terms of this Final Order.

60. The Claims Administrator shall perform the above duties under the supervision and control of the Proponent.

61. The Respondents shall give the Claims Administrator complete access to all records, data, and personnel necessary for the Claims Administrator to complete the Claims Administrator's duties.

62. The Respondents shall be liable for the costs of conducting the claims process, including the payment provided for under paragraph 76 of this Final Order. The Claims Administrator shall notify the parties of all costs incurred in connection with the claims process.

63. If, at any stage of the claims process, it is determined that the Restitution Account will require additional payments to satisfy all restitution due under this Final Order and pay the costs of the claims process, the Respondents shall deposit additional money in the amount specified by the Proponent within thirty (30) days of being notified by the Proponent of the additional amount.

64. If there are insufficient funds received by the Agency to cover full restitution for consumers and the civil penalty and costs due hereunder, the funds received shall be credited first toward restitution and shall only be credited toward the civil penalty and costs after all restitution claims are satisfied.

65. If there are insufficient funds collected to provide full restitution to each victim, restitution shall be distributed to consumers on a pro rata basis.

CIVIL PENALTIES

66. The Administrative Law Judge found that the Respondents unlawfully collected \$813,914.01 in payments, over the course of 114 transactions with 8 consumers, and engaged in their unfair, abusive, and deceptive trade practices from January 2018 through May 2021, which the Agency calculates to be a period of 1,246 days. These are likely only some of the consumers

who were harmed by the Respondents' unfair, abusive, and deceptive trade practices. The consumer testimony and documentary evidence admitted in this matter show a disturbing pattern of unfair, abusive, and deceptive conduct by the Respondents throughout their dealings with the consumers who testified at the hearing of this matter. From the moment the Respondents first met with consumers they misled consumers. The Respondents falsely represented that the WFT program was a "Private Banking Debt Liquidation Program," for which the Wittenberg Family Trust served as "trustee" and, without basis, misled consumers into believing that by joining the WFT program and paying substantial upfront fees and monthly payments they would ultimately save hundreds of thousands of dollars, their accounts would "reflect closed with a zero balance" in a shorter timeframe than the original loan terms, and they would improve their credit scores. The Respondents lied to consumers in their advertising and marketing practices, in their direct solicitation of consumers, in the documents they required consumers to sign, and in their direct dealings with consumers, about their ability and willingness to provide the offered mortgage assistance relief services, the credit services, the money transmission services, and the debt management services. The Respondents' entire business scheme was to deceive and mislead consumers, who were in good standing with their creditors, into paying them large sums of money for assistance in resolving consumers' debts and instead of providing the promised services, the Respondents misappropriated consumers' payments while hiding their misconduct, leaving consumers without cars, facing foreclosure, and in financial chaos. These findings have been incorporated into this Final Order.

67. Pursuant to Md. Code Ann., Com. Law § 13-410, the factors to be considered by the Agency in setting the amount of a civil penalty are:

- (i) The severity of the violation for which the penalty is assessed;
- (ii) The good faith of the violator;
- (iii) Any history of prior violations;
- (iv) Whether the amount of the penalty will achieve the desired deterrent purpose; and
- (v) Whether the issuance of a cease-and-desist order, including restitution, is insufficient for the protection of consumers.

Each of these factors is considered below.

68. The Respondents' violations were severe. The ALJ found "[b]ecause the Respondents did not have a legitimate program, the debt savings were completely fabricated, not based in reality, and fraudulent." Prop. Dec. at 57. The ALJ also concluded that "the Respondents' illegal offer or sale of mortgage assistance relief services, credit services, money transmission services, and debt management services and failure to perform the offered services substantially harmed consumers, who relied on the Respondents to consolidate their debts, when instead the Respondents took payments and converted payments to their own personal use, and a [sic] result consumers lost their vehicles, homes and sustained decreases in credit scores." *See* Prop. Dec. at 78.

The consumers who testified in this matter suffered serious financial harm and are owed at least \$772,939.66. In addition to the money consumers paid to the Respondents, which the Respondents converted to their own personal use, because of the Respondents' misrepresentations and failure to provide the promised services some consumers lost their vehicles to repossessing creditors and faced the foreclosure of their homes. These harms were particularly severe because the consumers the Respondents preyed upon were not having difficulty paying their debts and did not need the Respondents' assistance. Further, these consumers represent only a portion of the consumers who were likely harmed by the Respondents. Indeed, the Wittenberg Respondents

failed and refused to produce any documents in response to Proponent's Request for Documents, even after the ALJ sanctioned him, including documents that would have identified additional consumers harmed by the Respondents practices. *See* September 27, 2021 Ruling on Motion for Sanctions.

69. The Respondents also acted in bad faith. The ALJ found that although the Respondents lacked licenses to offer, sell, and provide credit services, money transmission services, and debt management services, facts that were material fact to the consumers and not disclosed, the Respondents, nevertheless offered these services to consumers at great cost. *See* Prop. Dec. at 52-53, 75, 77. The Respondents also repeatedly lied to consumers in their advertising, marketing, and solicitation of consumers to join their so-called debt dissolution program. To overcome consumer concerns, the Respondents knowingly misrepresented Respondent Wittenberg's wealth and status, promoting him as a millionaire philanthropist when, in fact, Respondent Wittenberg was a recently incarcerated felon of limited means. Respondent Bailey took advantage of her close and trusting friends, convincing them to purchase debt resolution services that they did not need and ultimately left them without their vehicles and with their homes threatened. The Respondents also misled consumers by promising prompt debt resolution while they were knowingly converting consumers' payments for their own personal uses while hiding from consumers that their loans that went unpaid by the Respondents were in default, repossession, or foreclosure. The Respondents lied to consumers about Bailey's status as an accountant, Wittenberg's ability to provide legal services, and used documents that lacked required disclosures, notices, and other information that would have informed consumers about their rights.

The ALJ also specifically found that Respondent Bailey "never paid creditors on behalf of

consumers, instead she paid her personal expenses,” Prop. Dec. at 13, and that Respondent Wittenberg misled consumers concerning his ability to repay their debts when he sent “bogus” tenders and legal documents to creditors. *See also* Prop. Dec. at 52, 58.

After consumers learned that the Respondents had failed to provide the promised services, which resulted in their homes being foreclosed upon, their vehicles repossessed, and their credit scores to drop precipitously, “the Respondents provided phony legal documents to be mailed to creditors or filed in state or federal court....the evidence shows that the Respondents provided the documents with [sic] consumers via email and provided instructions on filing the documents in court. In addition, Respondent Wittenberg filed frivolous legal claims that did nothing to assist consumers preserve property or prevent foreclosure.” Prop. Dec. at 52. Significantly, despite their failure to provide promised services, when consumers requested that the Respondents refund their payments, the Respondents refused.

In sum, as the ALJ found, “the evidence is overwhelming that the Respondent misrepresented the debt dissolution program and promised debt savings that were not possible....” Prop. Dec. at 57. Although the Respondents did not appear at the hearing and the Wittenberg Respondents failed to cooperate in the investigation, the evidence presented by the Proponent convincingly demonstrates that the Respondents acted in bad faith.

70. The Respondents have no known prior history of violating the Consumer Protection Act, but their violations shown in this case have lasted for years. Notably, the Respondents began unlawfully offering and selling mortgage assistance relief services, credit services, money transmission services, and debt management services to consumers as well as collecting illegal upfront fees and monthly payments from consumers and converting those funds to their person use

in January 2018 while Respondent Wittenberg was serving time in prison because of his felony theft conviction; the Respondents' unlawful trade practices have continued even though Mr. Wittenberg remains on probation for that conviction until June 11, 2022. Moreover, even after being enjoined by the Circuit Court for Baltimore County around the time of the commencement of this action from providing mortgage assistance relief services, credit services, money transmission services, and debt management services, the Wittenberg Respondents continued to do so to the detriment of consumers. *See, e.g.*, CPD Ex. 121B.

71. Injunctive provisions and an order to pay restitution alone will likely not deter the Respondents from continuing the same course of illegal conduct. A significant penalty is necessary to deter the Respondents and those similarly situated from engaging in this or a similar type of illegal conduct in the future.

72. Section 13-410(a) of the Consumer Protection Act provides that a merchant who engages in a violation of the Act is subject to a fine of not more than \$1,000 for each violation committed prior to October 1, 2018, and a fine not exceeding \$10,000 for each violation after that date.

73. Following consideration of the evidence of this case, and the findings of the Administrative Law Judge that have been incorporated herein, as modified by the Agency's Ruling on the Proponent's Exceptions, the Agency has determined that the Respondents committed at least one violation of the Consumer Protection Act for each day they did business between January 1, 2018 through May 31, 2021, for a total of at least 1,246 violations of the Consumer Protection Act.

74. Following consideration of the number of violations committed by the Respondents

and the factors set forth in Md. Code Ann., Com. Law, § 13-410(d), the Agency has determined that, within thirty (30) days of the entry of this Final Order, the Bailey Respondents and the Wittenberg Respondents should be jointly and severally liable for payment of a civil penalty of \$1,000 for each violation found herein for civil penalties totaling one million, two hundred forty-six thousand dollars (\$1,246,000).

COSTS

75. Within thirty (30) days from the date of this Final Order, the Respondents shall pay the Agency One Hundred Thirteen Thousand One Hundred Forty-Four Dollars and Thirty-Eight Cents (\$113,144.38) for the Proponent's costs incurred investigating and prosecuting this matter.

76. Within thirty (30) days from the date of this Final Order the Respondents shall pay the Agency Twenty Thousand Dollars (\$20,000.00), which shall be used by the Agency to pay for the claims procedure provided under this Final Order.

RESOLUTION OF DISPUTES

77. The Chief of the Agency or his designee shall resolve any disputes regarding this Final Order and enter any supplemental orders needed to effectuate its purpose.

NOTICE TO RESPONDENTS

78. Pursuant to Md. Code Ann., Com. Law § 13-403(b)(iii), the Respondents are hereby notified that if the Agency determines that they have failed to comply with this Final Order within thirty (30) days following service of this Final Order, the Consumer Protection Division may proceed with enforcement of the Final Order pursuant to Subtitle 4 of Title 13 of the Commercial Law Article.

APPEAL RIGHTS

79. A party aggrieved by the Findings of Fact and Conclusions of Law or any provision of this Final Order is entitled to judicial review of the decision as provided by § 10-222 of the State Government Article of the Annotated Code of Maryland. Generally, a petition for judicial review must be filed within thirty (30) days after the date of the order from which relief is sought. The time for filing a petition is regulated by Rule 7-203 of the Maryland Rules and the rules regulating judicial review of administrative agency decisions as set forth in Rules 7-201 to 7-210 of the Maryland Rules.

COSUMER PROTECTION DIVISION
OFFICE OF THE ATTORNEY GENERAL

Date: August 19, 2022

By: 

Steven M. Sakamoto-Wengel
Consumer Protection Counsel for Regulation,
Legislation and Policy and Chief's Designee

Copies Mailed To:

Marcia L. Bailey
400 Sherwood Road
Cockeysville, MD 21030

Granville Templeton, III, Esquire
Law Office
729 East Pratt Street #560
Baltimore, MD 21202

Arthur Wittenberg
202 Woodgreen Circle
Ft. Washington, MD 20744

Arthur Wittenberg
201 International Circle, Suite 230
Hunt Valley, MD 21030

Wittenberg
201 Saint Charles Avenue, Suite 2500
New Orleans, LA 70170

Arthur Wittenberg
As a Trustee for the Wittenberg Family Trust
202 Woodgreen Circle
Ft. Washington, MD 20744

Jessica Kaufman
Kira Wilpone-Welborn
Assistant Attorney Generals
Office of the Attorney General
Consumer Protection Division
200 St. Paul Place, 16th Floor
Baltimore, MD 21202

FILED

AUG 15 2022

ADMINISTRATIVE HEARING PROCESS

CONSUMER PROTECTION DIVISION
OFFICE OF THE ATTORNEY GENERAL
STATE OF MARYLAND

Proponent,

v.

MARCIA BAILEY, *et. al*

Respondents.

* IN THE CONSUMER
* PROTECTION DIVISION
* OFFICE OF THE
* ATTORNEY GENERAL
* CPD Case No. 21-010-33744
* OAH No. OAG-CPD-04-21-12386

* * * * *

FINDINGS OF FACT AND CONCLUSIONS OF LAW

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

STATEMENT OF THE CASE

On May 19, 2021, the Consumer Protection Division (CPD) of the Maryland Office of the Attorney General¹¹, filed a Statement of Charges against Marcia L. Bailey and Marcia Bailey, Inc., T/A Signature Accounting, (Respondent Bailey) and Arthur Wittenberg and Arthur Wittenberg as a Trustee for the Wittenberg Family Trust (Respondent Wittenberg) proposing the imposition of a civil penalty for allegedly engaging in unfair, deceptive, and abusive trade practices in the course of offering and selling consumer and credit services. Md. Code Ann., Com. Law. §§ 13-301 through 13-501, and 14-1901 through 14-1916 (2013 & Supp. 2021); Md.

¹¹ The Consumer Protection Division in its capacity as the Proponent in this matter shall be referred to as the "Proponent" or the "OAG"; the Consumer Protection Division in its capacity as an administrative agency authorized to hear contested cases shall be referred to as the "Agency".

Code Ann., Fin. Inst. §§ 12-401 through 12-431 and 12-901 through 12-931 (2020 & Supp. 2021)²; Md. Code Ann., Real Prop. §§ 7-501 through 7-511 (2015 & Supp. 2021)³.

This case was referred to the Office of Administrative Hearings (OAH) on May 20, 2021. The delegation of authority is to issue proposed Findings of Fact and Conclusions of Law. Code of Maryland Regulations (COMAR) 02.01.02.04B, *see also* COMAR 28.02.01.25C. The matter was heard by Administrative Law Judge Syeetah Hampton-EL (ALJ).

On June 21, 2021, the Proponent filed a motion to compel against both sets of Respondents. The Respondents failed to respond to the motion within the allowed time. COMAR 28.02.01.12B(3). Thereafter, Respondent Bailey agreed to provide requested documentation by Monday, July 19, 2021. On July 29, 2021, the ALJ's administrative aide emailed the Proponent to learn if it intended to withdraw the motion to compel against Respondent Bailey. The Proponent replied via email that Respondent Bailey complied and it withdrew the motion to compel against Respondent Bailey only.

On July 12, 2021, the ALJ held a telephone prehearing conference (Conference) in the captioned case. Assistant Attorneys General Niki M. McCormally and Jessica B. Kaufman represented the Proponent, and Granville Templeton, III, Esquire, represented Respondent Bailey. Respondent Wittenberg did not appear for the Conference, nor did anyone authorized to represent Respondent Wittenberg appear.

On July 29, 2021, the ALJ granted the motion to compel and ordered Respondent Wittenberg to fully produce responsive documents within five days, or by Tuesday, August 3, 2021. Respondent Wittenberg failed to produce the documents.

² Although the charges arise from conduct before 2020, citations are to the current volume and supplement to fully capture any intervening changes.

³ Unless otherwise noted, all references hereinafter are to these versions.

On August 10, 2021, the Proponent filed a motion for sanctions against Respondent Wittenberg. Respondent Wittenberg had fifteen days to respond, or by August 30, 2021. COMAR 28.02.01.12B(3). Respondent Wittenberg failed to respond.

On August 27, 2021, the OAH received returned mail for Respondent Wittenberg from the Woodgreen Circle⁴ address. The United States Postal Service (USPS) noted: “Return to Sender, not deliverable as addressed, unable to forward.” On the envelope in all capital letters, someone wrote: “PERSON DOES NOT LIVE HERE.”

On September 27, 2021, the ALJ issued a ruling on the motion for sanctions, in which she granted the motion for sanctions in part and denied it in part. On October 12, 2021, the Proponent⁵ filed a Motion for Reconsideration (Motion). Respondent Wittenberg had fifteen days to respond or by November 2, 2021. Respondent Wittenberg failed to respond. On November 24, 2021, the ALJ denied the motion.

On November 16, 2021, the ALJ held a telephone status conference via the Webex videoconferencing platform (Webex). COMAR 28.02.01.20B. The Proponent and Counsel for Respondent Bailey appeared. Respondent Wittenberg failed to appear. The Proponent and Counsel for Respondent Bailey selected remote hearing dates of January 25 through January 27, 2022. COMAR 28.02.01.20B. Each agreed to exchange exhibits and witnesses lists by January 14, 2022.

On January 25, 2022 and January 26, 2022, the ALJ held a hearing via Webex. Ms. Kaufman and Kira Wilpone-Welborn, Assistant Attorney General, represented the Proponent. The Respondents failed to appear and the ALJ waited the customary fifteen minutes for the Respondents to appear. After waiting fifteen minutes, the ALJ determined that both Respondent

⁴ Respondent Wittenberg has three addresses on record with the OAH, including an address on Woodgreen Circle.

⁵ The Proponent is now represented by Senior Assistant Attorney General Jessica B. Kaufman.

Bailey and Respondent Wittenberg failed to appear. Mr. Templeton also failed to appear on behalf of Respondent Bailey. Mr. Templeton failed to contact the OAH to explain his absence or that of his client. Further, Mr. Templeton did not contact the OAH to request a postponement. COMAR 28.02.01.16. The notice of hearing mailed to Respondent Bailey and counsel were not returned. On December 7, 2021, the USPS returned the notice of hearing mailed to Respondent Wittenberg to the Woodgreen Circle address. The USPS did not return the notice of hearing mailed to the other addresses.

On February 25, 2022, the Proponent filed Proposed Findings of Fact and Conclusions of Law and a Memorandum of Law in Support of the Proponent's Proposed Findings of Fact and Conclusions of Law.

On March 28, 2022, the USPS returned the status conference report and scheduling order, Notice of Remote Status Conference, and Ruling on Motion for Reconsideration mailed to Respondent Wittenberg at the Saint Charles Avenue address in New Orleans, Louisiana.

On April 20, 2022, the ALJ issued a Proposed Decision. On May 20, 2022, the Proponent filed Exceptions to the Proposed Decision with the Agency, together with a Request for Entry of Final Order and a Proposed Final Order. None of the Respondents filed exceptions, nor did they respond to the Proponent's Exceptions and Request for Entry of Final Order.

ISSUES

The issues presented are:

Deceptive Trade Practices

1. Whether the Respondents made false or misleading oral or written statements or other representations, that have the capacity, tendency, or effect of deceiving or misleading consumers and constitute deceptive trade practices identified in sections 13-301(1)

and 13-303 of the Commercial Law Article by:

- a. Representing, indicating, or implying that they will perform mortgage assistance relief services, money transmission services, and debt management services for consumers when, in fact, Respondents failed to provide such services;
- b. Representing that their services would reduce the consumers' debts and save consumers money, when in fact, the Respondents failed to reduce debts or save money;
- c. Representing that they would reduce the consumers' debts in a matter of years, when in fact, the Respondents failed to reduce debts within the promised time period;
- d. Implicitly or explicitly representing to consumers that they can lawfully provide credit services, money transmission services, and debt management services to consumers, when in fact, the Respondents cannot legally offer, sell, or provide those services as the Respondents do not hold, and have never held, the licenses required by the MCSBA,⁶ the MMTA,⁷ or the MDMSA⁸ to provide the services;
- e. Representing, indicating, or implying that they can collect advance payments from consumers in connection with the offer or sale of mortgage assistance relief services, credit services, money transmission services, and debt management services, when in fact, the collection of advance payments is

⁶ The Maryland Credit Services Business Act.

⁷ The Maryland Money Transmission Act.

⁸ The Maryland Debt Management Services Act.

prohibited by MARS,⁹ the MCSBA, and the MDMSA unless and until the specified conditions are met;

- f. Expressly and impliedly misrepresenting to consumers that the monthly payments Respondents collect from consumers will be used to pay consumers' debts, when, in fact, Respondents retain the monthly payments for their own personal use; and
 - g. Expressly and impliedly misrepresenting to consumers who inquire about or challenge the Respondents' actions leading to the filing of foreclosure actions and car repossessions, that such setbacks are normal and to be expected in the course of mortgage assistance relief services, credit services, money transmission services, and debt management services, and that consumers should continue making their monthly payments to Respondents?
2. Whether the Respondents engaged in deceptive trade practices prohibited by section 13-303 of the Commercial Law Article, as defined in section 13-301(2)(ii) of the Commercial Law Article, by representing that they have a sponsorship, approval, status, affiliation, or connection, which they do not have by:
- a. Misrepresenting the Respondent Wittenberg's wealth and education; and misrepresenting the licensure of Respondent Bailey;
 - b. Impliedly representing that the Respondents were licensed under the MCSBA, the MMTA, and the MDMSA and could lawfully provide credit services, money transmission services, and debt management services to consumers, when in fact, the Respondents have never been licensed as required by the MCSBA, the MMTA, and the MDMSA?

⁹ The Maryland Mortgage Assistance Relief Services Act.

3. Whether the Respondents engaged in deceptive trade practices prohibited by section 13-303 of the Commercial Law Article, as defined in section 13-301(3) of the Commercial Law Article, by failing to state material facts that deceived or tended to deceive Maryland consumers by:
 - a. Failing to disclose that they were unwilling and unable to provide mortgage assistance relief services, credit services, money transmission services, and debt management services;
 - b. Failing to disclose that Respondent Bailey lacked a license from the Maryland Board of Accountancy;
 - c. Failing to disclose that they were not licensed as required by the MCSBA, the MMTA, and the MDMSA, and failing to disclose they did not hold a surety bond and therefore, could not lawfully provide services to consumers;
 - d. Failing to disclose to consumers that they did not forward consumers' money to the creditors as promised, resulting in consumers unknowingly defaulting on loans, vehicle repossession, and experiencing foreclosure; and
 - e. Failing to provide consumers with required disclosures and notices, including statements regarding consumer rights, as required by MARS, the MCSBA, and the MDMSA;
 - f. Failing to disclose that they did not employ attorneys and therefore could not provide legal services?
4. Whether the Respondents engaged in deceptive trade practices as prohibited by section 13-303 of the Commercial Law Article, as defined in section 13-301(9)(i) of the Commercial Law Article, by making misrepresentations and omissions of

material fact concerning the provision of the promised services, with the intent that consumers relied on the same, in connection with the promotion of sale of consumer services?

5. Whether the Respondents' statutory violations of MARS constitute unfair or deceptive trade practices prohibited by section 13-303 of the Commercial Law Article and pursuant to section 7-510(1) of the Real Property Article?
6. Whether the Respondents' statutory violations of MCSBA constitute unfair and deceptive trade practices prohibited by section 13-303 of the Commercial Law Article and pursuant to section 14-1914(a) of the Commercial Law Article?

Unfair Trade Practices

7. Whether the Respondents engaged in unfair trade practices prohibited by section 13-303 of the Commercial Law Article by offering or selling mortgage assistance relief services, credit services, money transmissions services and debt management to consumers?
8. Whether the Respondents' illegal offer or sale of mortgage assistance relief services, credit services, money transmission services, and debt management services and failure to perform the offered services substantially harmed consumers, who relied on the Respondents to consolidate their debts, when instead the Respondents took payments and converted payments to their own personal use, and as a result consumers lost their vehicles, and had foreclosure actions filed, and sustained decreases in their credit scores?
9. Whether the Respondents' failure to comply with the requirements of MARS, the MMTA, the MDMSA, and the MCSBA further harmed consumers by depriving them

of the protections put in place by the Maryland General Assembly to shield consumers from financial injury?

10. Whether consumers can reasonably avoid being injured by the Respondents' unfair trade practices because they had no way of knowing that Respondents were unwilling and unable to provide the services they offer and sell, would not pay their creditors, and would not comply with Maryland law?
11. Whether the Respondents' collection of payments from consumers to purportedly assist them in paying off debts and then wrongfully using such payments for their own personal use, and their illegal offer and sale of mortgage assistance relief services, credit services, money transmission services, and debt management services is conduct that is not outweighed by any countervailing benefits to consumers or competition?

Abusive Trade Practices

12. Whether the Respondents engaged in abusive trade practices as prohibited by section 13-303 of the Commercial Law Article?
13. Whether the Respondents materially interfered with the ability of the consumers to understand the terms and conditions of the consumer financial services the Respondents purportedly offered by the Respondents' barrage of misrepresentations, including, but not limited to, blatant lies about the efficacy of the program, fabricated calculations to demonstrate alleged program savings, false press releases and lies about their backgrounds and status; providing incomprehensible documents; collecting consumer money under the guise of saving money without performing any service of value whatsoever; and claiming car repossessions and foreclosure actions

are a normal and expected part of the program and are not events that should concern the consumers?

14. Whether the Respondents took unreasonable advantage of the consumers' lack of understanding regarding the financial services they offer and sell by:

- a. Among other things, providing incomprehensible documents purportedly outlining the terms and conditions of the program and by manipulating consumers who question the Respondents' practices;
- b. Preventing consumers from protecting their own interests given the Respondents' deceptions regarding the financial services they offer and sell and their interference with consumers communications with their creditors; and
- c. Providing blatant misrepresentations to consumers who reasonably relied on the Respondents to act in the consumers' interest?

15. Whether the Respondents are jointly and severally liable for their unfair, deceptive, and abusive trade practices by promoting and engaging consumers in mortgage assistance relief services, credit services, money transmission services, and debt management services?

SUMMARY OF THE EVIDENCE

Exhibits

A complete list of the exhibits is attached to this decision as an appendix.

The ALJ did not admit any exhibits on behalf of Respondent Bailey or Respondent Wittenberg, as both failed to appear for the hearing and did not submit any documents.

Testimony

The following witnesses testified on behalf of the Proponent:

- Jedd Bellman, Assistant Commissioner for Non-Depository Supervision, Office of the Commissioner of Financial Regulation (OCFR)
- Enochia Anderson, Consumer
- David Ijeh, Pastor of Redeemed Christian Church of God, Consumer
- Momodou A. Njai, Consumer
- Dr. Douglas Anania, Consumer
- Felipe Hernandez¹⁰, Consumer
- Joshua Schafer, OAG CPD Investigator

The Respondents failed to appear and therefore presented no testimony or witnesses.

FINDINGS OF FACT

The Agency finds the following facts by a preponderance of the evidence:

Marcia L. Bailey, Marcia Bailey, Inc., trading as Signature Accounting

1. Since January 2015, Respondent Bailey has maintained a bank account at Bank of America, account number #4314. (CPD Ex. 128).
2. Marcia L. Bailey is a graduate of the United States Naval Academy (Naval Academy). She attended the Naval Academy with Enochia T. Anderson. Respondent Bailey prepared taxes for Ms. Anderson and her family through 2019.
3. From January 2018 through May 2021, Signature Accounting offered and sold consumers mortgage assistance relief services, credit services, money transmission services, and debt management services. Before January 2018, Respondent Bailey prepared taxes and provided bookkeeping services for numerous clients including Dr. Anania and Enochia Anderson.

¹⁰ Mr. Hernandez appeared with counsel, Gene Policastri, Esquire.

4. Marcia L. Bailey is the sole owner and operator of Marcia Bailey, Inc., trading as Signature Accounting, a Maryland corporation formed on or about October 17, 2013. (CPD Ex. 107, p. 2, CPD Ex. 107). She registered the name “Signature Accounting” on or about June 18, 2014. Marcia L. Bailey is also the Resident Agent for Signature Accounting and Marcia Bailey, Inc. (CPD Ex. 107). Signature Accounting maintains a website and lists the business address as 201 International Circle, Suite 230, Hunt Valley, Maryland. (CPD Ex. 106). Respondent Bailey has no employees.

5. Marcia L. Bailey is not a licensed by the Maryland Board of Public Accountancy as a certified public accountant. (CPD Ex. 109). Respondent Bailey is not licensed to offer consumers mortgage assistance relief services, credit services, money transmission services, and debt management services. Respondent Bailey is not exempt from the licensing requirements by the OCFR.

6. From 2018 through 2021, Respondent Bailey along with Respondent Wittenberg offered and sold unlicensed mortgage assistance relief services, money transmission services, debt management services, and credit services.

7. In 2018, an NBC-affiliate interviewed Respondent Bailey about her client, Respondent Wittenberg, and his intention to purchase the Carolina Panthers, a pro-football team. (CPD Ex. 118).

8. On April 29, 2019, Respondent Wittenberg paid Respondent Bailey \$1,490.30. (CPD Ex. 128, p. 1777).

9. In July 2019, an NBC-affiliate interviewed Respondent Bailey about her client, Respondent Wittenberg and his program to assist those in danger of foreclosure. (CPD Ex. 117).

10. Respondent Bailey is an agent of Respondent Wittenberg, as she accepted \$309,590.56 from consumers: Enochia Anderson, Irvin and Patricia Betch, Eugene Harris, Felipe Hernandez, and Brian Hockaday, transferred \$47,075.00 of those funds to Respondent Wittenberg, notarized documents, and met with consumers on behalf of Respondent Wittenberg. (CPD Ex. 129). Respondent Bailey drafted letters and program documents on her company letterhead noting the International Circle address shared with Respondent Wittenberg.

11. The Respondents received money from consumers and transferred money to and from each other. Respondent Bailey received \$11,174.21 from Respondent Wittenberg. Respondent Bailey transferred \$47,075.00 to Respondent Wittenberg. (CPD Ex. 130). Respondent Bailey did not maintain a separate trust account for the consumers' funds and commingled business funds and personal funds.

12. Respondent Bailey never paid creditors on behalf of the consumers, instead she paid her personal expenses.

Arthur Wittenberg and the Wittenberg Family Trust

13. Arthur Wittenberg maintained a website for Home Magic Decorating Inside and Out, focused on decorating and design. (CPD Ex. 112).

14. Beginning in January 2018, Arthur Wittenberg is a trustee and agent of the Wittenberg Family Trust. Respondent Wittenberg offered and sold consumers unlicensed mortgage assistance relief services, credit services, money transmission services, and debt management services.

15. Respondent Wittenberg has never been licensed to offer or sell consumers mortgage assistance relief services, credit services, money transmission services, and debt

management services. Respondent Wittenberg is not exempt from the licensing requirements by the OCFR.

16. Respondent Wittenberg is not connected to the U.S. Department of the Treasury, but represented to consumers he had a connection.

17. Respondent Wittenberg never attended New Orleans Baptist Theological Seminary but swore under oath in the Circuit Court for Baltimore County to having a doctorate in Theology. (CPD Ex. 2 and CPD Ex. 115).

18. Respondent Wittenberg never obtained a doctoral degree from Wittenberg University located in Ohio but swore under oath in the Circuit Court for Baltimore County to having a Ph.D. in Mathematics. (CPD Ex. 2, and CPD Ex. 116).

19. Arthur Wittenberg was convicted on May 19, 2015 of a theft scheme over \$10,000 by the Circuit Court for Montgomery County, Maryland. On December 21, 2015, the circuit court sentenced Respondent Wittenberg to serve fifteen years' incarceration in the Maryland Department of Corrections with credit for time served beginning October 8, 2015; consequently, Respondent Wittenberg was incarcerated from October 8, 2015 through June 11, 2019. At a hearing held on June 11, 2019 to reconsider Respondent Wittenberg's sentence, the circuit court sentenced Respondent Wittenberg to serve fifteen years' incarceration suspending all but 1,342 days with credit for 1,342 days' time served and upon his June 11, 2019 release ordered Respondent Wittenberg to serve three (3) years of unsupervised probation (through June 11, 2022) with conditions. On December 24, 2015, the Circuit Court for Montgomery County entered a \$17,000.00 judgment against Mr. Wittenberg. (CPD Ex. 4).

20. On June 12, 2019, upon release from the state prison, Maryland Correctional Institution-Hagerstown issued Mr. Wittenberg a check for \$500.00. Respondent Bailey deposited the check into her account, #4314. (CPD Ex. 128, p. 1889).

21. On July 29, 2019, Respondent Wittenberg updated a bank account with Capital One, N.A., account number 8649. The account title changed from Wittenberg Family Trust, Yong Min Cho Trustee to Wittenberg Family Trust, Yong Min Cho Trustee or Arthur Wittenberg Trustee. (CPD Ex. 128, p. 1990).

22. Since November 2019, Mr. Wittenberg maintained a bank account with Bank of America, account number 9721. (CPD Ex. 128, p. 1947). Respondent Wittenberg did not maintain a separate trust account for the consumers' funds, and commingled business funds and personal funds.

23. On June 11, 2021, Respondent Wittenberg appeared before the Circuit Court for Baltimore County (Court) for a preliminary injunction hearing initiated by the CPD. (CPD Ex. 2). Judge Battista ordered a preliminary injunction as to the Respondents. (CPD Ex. 3).

24. At the June 11, 2021 preliminary injunction hearing, Mr. Wittenberg testified that neither he nor the Wittenberg Family Trust had a license from the OCFR to transmit money, or to offer debt management services, credit services, and mortgage assistance relief services. Respondent Wittenberg admitted to serving as a trustee for consumers for a fee. (CPD Ex. 2).

25. Pursuant to agreements discussed below, Respondent Wittenberg received a total of \$504,323.45 from consumers Douglas Anania, Irvin and Patricia Betch, Eugene Harris, Pastor David Ijeh, and Gerard McGovern. (CPD Ex. 129).

26. Respondent Wittenberg paid \$50,974.35 to creditors on behalf of consumer Douglas Anania, and \$10,000.00 on behalf of consumer Eugene Harris. Respondent

Wittenberg made no other payments to creditors on behalf of other consumers. (CPD Ex. 129).

27. The Respondents received money from consumers and transferred money to and from each other. Respondent Bailey transferred \$47,075.00 to Respondent Wittenberg. Respondent Wittenberg transferred \$11,174.21 to Respondent Bailey. (CPD Ex. 130).

Respondents

28. Respondent Bailey met Respondent Wittenberg when he was incarcerated with Respondent Bailey's brother.

29. The Respondents provided unlicensed mortgage assistance relief services, credit services, money transmission services, and debt management services to consumers.

30. The Respondents failed to obtain a surety bond.

31. The Respondents did not maintain trust accounts.

32. The Respondents demanded and received upfront payments for unlicensed mortgage assistance relief services, credit services, money transmission services, and debt management services.

33. The Respondents failed to provide consumer disclosures, education, and copies of documents.

34. The Respondents are not licensed attorneys and provided faulty legal documents and improper legal advice.

Enochia Anderson

35. Ms. Anderson maintained a secret security clearance as a requirement of employment. The security clearance required Ms. Anderson to maintain good credit.

36. Respondent Bailey prepared taxes and reviewed financial documents for Ms. Anderson.

37. Ms. Anderson resided in Florida and had debt totaling approximately \$450,000.00 including a home mortgage with M&T bank, an auto loan with Navy Federal Credit Union (NFCU) for a 2016 Chevy Traverse, and several credit cards with NFCU and Synchrony Bank. Ms. Anderson was not in default and had a credit score of 674. (CPD Ex. 7).

38. On January 17, 2019, Ms. Anderson signed a Letter of Intent to join the “Private Banking Debt Liquidation Program” to dissolve \$446,234.04 in debt. Ms. Bailey signed the document, on Signature Accounting letterhead, as the agent of Respondent Wittenberg. (CPD Ex. 7, pp. 7-12). Ms. Anderson paid an initial fee of \$46,123.40 and agreed to make monthly payments in the amount of \$2,074.61 for fifteen years. The fees were made payable to Respondent Bailey via a wire transfer from Ms. Anderson. (CPD Ex. 7, p. 10).

39. Ms. Anderson paid the upfront fee in the amount of \$46,123.40 to Respondent Bailey and the monthly payments \$2,074.61 to Respondent Bailey via electronic transfers. (CPD Exs. 14-15, and 128)

40. On February 12, 2019, Ms. Anderson mailed a letter to all creditors notifying them of the Respondent Wittenberg Trust and to only communicate with Respondent Wittenberg. (CPD Ex. 13, pp. 1-8).

41. As of May 2019, Ms. Anderson’s credit score dropped by 167 points to 507. The FICO score decreased from 735 to 585. (CPD Ex. 18, pp. 21-22).

42. On June 23, 2019, Synchrony Bank charged off the Empire credit account in the amount of \$7,704.40 and the HOME credit account in the amount of \$7,344.13. (CPD Ex. 18, p. 33).

43. On August 3, 2019, NFCU repossessed Ms. Anderson's 2016 Chevy Traverse due to a past due amount of \$1,675.00. (CPD Ex. 20, p. 5). As a result, Ms. Anderson rented a vehicle for approximately five months.

44. On August 8, 2019, Respondent Bailey emailed Ms. Anderson a Certificate of Existence and Registration from the State of Minnesota in the name of Ms. Anderson. Ms. Anderson did not give permission for her name to be registered as an entity in the State of Minnesota or any other state. (CPD Ex. 21, p. 15).

45. On August 8, 2019, Respondent Bailey emailed Ms. Anderson copies of "tenders" provided and signed by Respondent Wittenberg to NFCU in the amount \$3.00. The "tenders" included a letter signed by Mr. Wittenberg as Attorney in Fact, a folded dollar bill, a silver coin, a stamp signed by Respondent Wittenberg, and a copy of a default letter or payoff statement, purporting to be full payment for the amount of \$15,556.42. (CPD Ex. 21, pp. 19-31).

46. On the same date Ms. Anderson's 2016 Chevy Traverse was repossessed by NFCU, the Respondents told Ms. Anderson to report the vehicle as stolen and offered to send a replacement vehicle. Ms. Anderson paid \$1,575.00 to Respondent Wittenberg for delivery of a new vehicle. Ms. Anderson never received a replacement vehicle.

47. On September 28, 2019, Ms. Anderson learned of a case management conference regarding foreclosure of her home as Lakeview Loan Servicing, LLC had not received payment since February 2019. M&T Bank sold the mortgage to Lakeview Loan Servicing, LLC.

48. Respondent Bailey provided legal documents to Ms. Anderson on October 3, 2019 to file in the U.S. District Court for the Middle District of Florida in the pending action

against Navy Federal Credit Union related to the repossession of Ms. Anderson's vehicle. (CPD Ex. 19 at 156-157; CPD Ex. 27).

49. On December 2, 2019, Respondent Bailey communicated with Ms. Anderson via text message about the pending foreclosure process. Respondent Bailey told Ms. Anderson going to court was not in her best interest. (CPD Ex. 19, p. 197).

50. On December 4, 2019, Ms. Anderson appeared at the case management conference and learned her home was in foreclosure.

51. On December 4, 2019, Respondent Bailey emailed Ms. Anderson copies of the "tenders" provided and signed by Respondent Wittenberg to M&T in the amount of \$3.00. The "tenders" included a letter signed by Mr. Wittenberg as Attorney in Fact, a folded dollar bill, a silver coin, and a stamp signed by Respondent Wittenberg and delivered in July 2019. The Respondents offered the "tenders" as full payment for mortgage debt in the amount of \$382,012.16. (CPD Ex. 37, pp. 83-100). M&T rejected the "tenders" on August 15, 2019 and notified the Respondents. (CPD Ex. 37, p. 3).

52. On January 1, 2020, Respondent Wittenberg told Ms. Anderson to send monthly payments to his bank account. (CPD Ex. 40, p. 2).

53. On January 21, 2020, Ms. Anderson emailed the Respondents because the promised replacement vehicle had not arrived. Ms. Anderson requested a refund of \$1,850.00 in delivery fees.

54. On March 23, 2020, Ms. Anderson paid Respondent Wittenberg \$1,500.00. (CPD Ex. 128, p. 2130).

55. In total, Ms. Anderson paid \$78,458.11 to Respondent Bailey. Ms. Anderson never received a refund of any monies paid. (CPD Ex. 129). The Respondents failed to

make payments to Ms. Anderson's creditors and instead mailed the creditors "tenders" totaling \$6.00.

56. On April 3, 2020, Ms. Anderson filed a complaint in court against the Respondents. (CPD Ex. 39, pp. 1-4).

Pastor David Ijeh

57. Pastor David Ijeh is the Pastor of The Redeemed Christian Church of God, River of Life (Church) located in Riverdale, Maryland. The Church had a mortgage with Foundation Capital Resource, Incorporated (Foundation Capital).

58. On April 6, 2019, Pastor Ijeh received a solicitation letter from Respondent Bailey identifying herself as a licensed real estate agent, accountant, and business owner affiliated with Respondent Wittenberg. (CPD Ex. 42, p.1).

59. On February 13, 2020, the Church filed for bankruptcy in the United States District Court for Maryland in Greenbelt. (CPD Ex. 43, pp. 1-17).

60. On March 25, 2020, Pastor Ijeh agreed to join the "Jubilee Program" after speaking to Respondent Wittenberg. Respondent Wittenberg promised that the mortgage would be written off in seven years. (CPD Ex. 44, pp. 1-4).

61. On June 2, 2020, the Church agreed to pay Foundation Capital \$7,000.00 a month toward the outstanding mortgage and Foundation Capital agreed to an option to purchase. (CPD Ex. 45).

62. On June 11, 2020, Pastor Ijeh entered into the "Real Property Trust Agreement" with Respondent Wittenberg. Pastor Ijeh also signed a "Promissory Note" noting the principal amount at \$4,775,619.00 owed to be paid to Wittenberg Family Trust listed as the lender. (CPD Ex. 46, pp. 1-8; CPD Ex. 48, pp. 1-5).

63. Respondent Wittenberg mailed “tenders” in the amount of \$3.00 as full payment for the Church’s \$4,802,953.26 mortgage to Foundation Capital, which received the tenders on September 4 and 22, 2020. (CPD Ex. 50, pp. 8-10).

64. On September 18, 2020, Pastor Ijeh paid Respondent Wittenberg \$70,000.00. (CPD Ex. 128, p. 2167).

65. On December 19, 2020, Respondent Wittenberg filed a civil action against Foundation Capital in the Circuit Court for Prince George’s County. On September 2, 2021, the court dismissed the case. (CPD Ex. 51).

66. On January 13, 2021, Pastor Ijeh paid Respondent Wittenberg \$5,000.00 to expedite the court proceedings. (CPD Ex. 50; CPD Ex. 129).

67. On May 25, 2021, the Church paid Respondent Wittenberg \$10,000.00 to expedite the court proceedings. (CPD Ex. 50; CPD Ex. 129).

68. On June 9, 2021, the Church again filed for bankruptcy in the United States District Court of Maryland in Greenbelt. (CPD Ex. 53, pp. 1-7).

69. Pastor Ijeh and the Church paid Respondent Wittenberg \$115,000.00. (CPD Ex. 129).

70. Respondent Wittenberg never made any monthly mortgage payments to Foundation Capital or dissolved the Church debt. Respondent Wittenberg refused to return the monies paid by the Church.

Momodou A. Njai

71. In September 2019, Momodou A. Njai lived in Silver Spring, Maryland with his wife and financed a 2014 Mercedes S Class 550 with NFCU. He made monthly payments to NFCU and owed \$44,000.00.

72. Mr. Njai met Respondent Wittenberg at a car repair shop. Respondent Wittenberg shared information about the Wittenberg Family Trust because Mr. Njai had to sell his vehicle before returning to Africa in December 2019. Mr. Wittenberg offered to pay off the car debt and dissolve the debt.

73. In 2019, Respondent Wittenberg put Njai in touch with Respondent Bailey, whom Respondent Wittenberg identified as his assistant, so Njai could meet with her and sign various documents to participate in the WFT program. (CPD Ex. 58, CPD Ex. 59, CPD Ex. 60, Njai testimony).

74. On September 5, 2019, Mr. Njai signed an “Agreement to Dissolve Debt” document with Wittenberg Family Trust to dissolve the NFCU vehicle debt of \$44,262.13. (CPD Ex. 58, pp. 1-2).

75. On October 5, 2019, Mr. Njai signed a “Property Trust Agreement” with Respondent Wittenberg. Respondent Bailey notarized the document. (CPD Ex. 59, pp. 1-17).

76. In November 2019, Respondent Wittenberg mailed NFCU “tenders” including \$42.00 in cash and stamps signed by Mr. Wittenberg as full payment for the auto loan debt. (CPD. Ex. 61, pp. 1-3).

77. On November 21, 2019, NFCU notified Mr. Njai of the \$42.00 in cash and coins received from Respondent Wittenberg. NFCU returned the \$21.00 in postage and requested the past due amount of \$1,709.92. (CPD Ex. 61, pp. 1-3).

78. Mr. Njai ultimately sold the vehicle for \$20,000.00 and owed NFCU \$24,000.00. He did not pay the Respondents any money.

Dr. Douglas Anania

79. From 2004 through 2019, Respondent Bailey served as the accountant and tax preparer for Dr. Douglas Anania.

80. In 2007, Dr. Anania moved from Baltimore, Maryland to Georgia.

81. Dr. Anania believed Respondent Bailey to be licensed to provide accounting services in both Maryland and Georgia.

82. Dr. Anania is an optometrist and owner of two optometry offices – Parkway Family Eye Clinic, Inc., a/k/a Parkway Family Eye Care, Inc., and Brookleigh Family Eyecare, Inc. – located in Georgia. Dr. Anania also owns an entity known as 20/20 Eyeworks.

83. Dr. Anania expressed interest in selling Parkway, and Respondent Bailey introduced Dr. Anania to Respondent Wittenberg.

84. Dr. Anania had \$678,129.99 in personal debt including a 2017 Jaguar car loan with Bank of America, a 2013 Honda Accord car loan with Chase Bank, a first mortgage with SunTrust Bank, a second mortgage with Brand Bank, and a student loan with Great Lakes Bank. Dr. Anania signed release authorizations for all accounts giving Respondent Wittenberg access to the account information. (CPD Ex. 65 and Ex. 67).

85. Dr. Anania had \$562,218.01 in business debt including two loans with Vision One Credit Union, one loan with Byline Financial, and one loan with Funding Circle. Dr. Anania personally guaranteed the two loans from Vision One Credit Union and was personally responsible to repay those loans. (CPD Ex. 63).

86. Respondent Bailey flew to Georgia to meet with Dr. Anania to sign the documents. On January 16, 2018, Dr. Anania signed an “Offer to Purchase Agreement” and the “Real Property Trust Agreement,” with Respondent Bailey and Yong Cho on behalf of

Respondent Wittenberg. (CPD Ex. 63, pp. 1-3, CPD Ex. 64, pp. 1-11). Dr. Anania never received copies of fully executed documents.

87. On January 16, 2018, Dr. Anania signed a “Bill of Sale” with the Wittenberg Family Trust to place the two vehicles into a trust. (CPD Ex. 66).

88. In addition, to purchasing the business, Respondent Wittenberg offered to dissolve the personal and business debts of Dr. Anania. Dr. Anania paid \$76,500.00 as an upfront fee and agreed to pay \$5,651.00 per month for eighty-four months. (CPD Ex. 128 and CPD Ex. 129).

89. Dr. Anania paid \$36,500 via check or a wire transfer. Dr. Anania granted the Respondents access to his Parkway business bank account to get the \$40,000.00 balance.

90. Yong Min Cho, the Wittenberg Family Trust’s named trustee, made monthly payments to Dr. Anania’s personal creditors that totaled \$50,974.35 from March 2018 through February 2019. (CPD Ex. 69 and Ex. 129).

91. The Respondents never paid Dr. Anania’s business creditors.

92. On September 12, 2018, Dr. Anania learned the Respondents had failed to pay to Vision One Credit Union the \$2,317.35 loan payment on account xxx3654-00 that was due on September 1, 2018. (CPD Ex. 71, p. 1).

93. On November 13, 2018, Respondent Bailey emailed Vision One regarding the transition of the loans to the trust. (CPD Ex. 71, p. 11).

94. On December 6, 2018, Vision One sent Dr. Anania a default letter and sought full payment of \$387,877.87. (CPD Ex. 71, p. 15-18).

95. The Respondents did not make payments to Renasant Bank (second mortgage), risking foreclosure, or to Nelnet (student loans), causing default.

96. In February 2019, Dr. Anania met with Respondent Bailey to complete tax preparation and to discuss the debt issues.

97. In March, April, and May 2019, the Respondents sent “tenders” including a letter, folded dollar bill, a silver coin, and a stamp signed by Respondent Wittenberg, to Dr. Anania’s creditors Vision One Credit Union, Bank of America, and Chase Auto, respectively. Respondent Wittenberg also sent “tenders” on unspecified dates to Dr. Anania’s creditors SunTrust Bank, Renasant Corporation, and Nelnet, Inc. (CPD Ex. 75, CPD Ex. 76). The various creditors returned the “tenders” to Respondent Wittenberg.

98. In July 2019, Respondent Wittenberg showed Dr. Anania the certificate that he caused to be issued in Minnesota in Dr. Anania’s name to make him a private citizen. Dr. Anania did not give his permission for the creation of an entity in his name.

99. In July 2019, Dr. Anania withdrew money from his 401(k) account to prevent foreclosure on his home.

100. On July 25, 2019, Respondent Bailey emailed a “First Amendment Petition for Abatement” to Dr. Anania to be filed in court. (CPD Ex. 79, pp. 1-4). Dr. Anania did not file the document.

101. On June 18, 2020, Dr. Anania hired legal counsel and filed a civil complaint against the Respondents. (CPD Ex. 82, pp. 1-29).

102. In total, Dr. Anania paid the Respondents \$137,492.82 and withdrew \$20,000.00 from the Parkway Eye Clinic account which was transferred to the Respondents. (CPD Ex. 129). The Respondents did not dissolve Dr. Anania’s debts. Respondent Wittenberg paid \$50,974.35 toward Dr. Anania’s creditors. (CPD Ex. 129). Dr. Anania’s credit score decreased from 780 to 500. The Respondents have not returned any monies collected.

Felipe Hernandez

103. Mr. Hernandez owns a handyman business and first met Respondent Bailey in 2018 and Respondent Wittenberg in 2019.

104. Respondent Bailey offered to help Mr. Hernandez buy and flip houses, by providing the money needed to complete the transactions.

105. In 2018, Mr. Hernandez owned a home in Manassas, Virginia with a mortgage of \$275,000.00 with Mr. Cooper dba Nationstar Mortgage; a 2014 Toyota Tundra with a loan of \$7,000.00 with TD Finance; and a Silver Spring, Maryland residence with a mortgage of \$200,000.00 with Mr. Cooper dba Nationstar Mortgage. Mr. Hernandez was not in default.

106. Respondent Bailey offered to liquidate Mr. Hernandez's debt into the Wittenberg Trust with Respondent Wittenberg. The down payment was an estimated amount of \$49,446.96 and monthly payments of \$2,254.49 per month for fifteen years. (CPD Ex. 83, pp. 8-12).

107. On October 11, 2018, Respondent Wittenberg and Respondent Bailey sent Mr. Hernandez a letter regarding their debt acquisition program. Respondent Bailey signed the letter. (CPD Ex. 84, pp. 1-2).

108. On October 15, 2018, Respondent Bailey issued a revised letter with a monthly payment of \$2,113.89. (CPD Ex. 85, pp. 1-2).

109. On May 10, 2019, Respondent Bailey provided Mr. Hernandez the "Private Banking Debt Liquidation Program" details and bank wire instructions to pay the upfront fee in the final amount of \$49,415.96 and monthly payments of \$2,254.49. The Respondents promised Mr. Hernandez he would save \$207,052.44 using their program. (CPD Ex. 87 and CPD Ex. 89).

110. On May 30, 2019 and June 3, 2019, Mr. Hernandez signed an “Agreement to Dissolve Debt,” “Real Property Trust Agreement,” and “Bill of Sale” with Respondent Wittenberg. Respondent Bailey notarized the documents. (CPD Ex. 83, pp. 10-53).

111. Mr. Hernandez also signed letters to his creditors explaining that he had transferred the title to his two homes and his vehicle to Respondent Wittenberg and requesting the creditors stop direct communication with him. (CPD Ex. 83, pp. 55-57 and CPD Ex. 93).

112. On May 31, 2019, Mr. Hernandez wired \$49,415.96 to Respondent Bailey. (CPD Ex. 128 and 129).

113. On July 2, 2019, Mr. Hernandez paid Respondent Bailey \$2,254.49. (CPD Ex. 95).

114. On July 11, 2019, Mr. Hernandez learned that payments to TD Auto Finance for the Toyota Tundra were thirty days past due. (CPD Ex. 96).

115. On August 31, 2019, Respondent Wittenberg mailed Mr. Cooper “tenders” in the amount of \$21.00 in folded one-dollar bills, twenty-one silver coins, and twenty-one stamps, as payment for the outstanding balance of \$257,211.60, signed by Respondent Wittenberg. (CPD Ex. 97, pp. 1-7).

116. In August 2019, Respondent Wittenberg mailed documents to TD Finance as payment on the auto loan.

117. On September 10, 2019, TD Auto Finance notified Respondent Wittenberg that the items received on August 31, 2019 were fraudulent and of no legal significance pursuant to USC Title 18514: Fictitious Obligations. (CPD Ex. 96, p. 5).

118. In October 2019, Mr. Hernandez learned that Mr. Cooper dba Nationstar Mortgage LLC had not received mortgage payments and planned to foreclose on the property. (CPD Ex. 96, pp. 7-11).

119. On November 26, 2019, Mr. Hernandez paid Respondent Wittenberg \$400.00 to file a Bill in Equity in federal court in Virginia. (CPD Ex. 98, pp. 1-2).

120. On December 4, 2019, Respondent Bailey registered an entity in the name of Felipe Nicodemez Hernandez in the State of Minnesota. (CPD Ex. 101, pp. 1-8). Mr. Hernandez never agreed to use his name to create an entity.

121. On December 5, 2019, Respondent Wittenberg filed a Complaint for a Civil Case against Mr. Cooper dba Nationstar Mortgage LLC in the United States District Court for the Eastern District of Virginia. The court dismissed the complaint. The bank sold Mr. Hernandez's Manassas house at a foreclosure auction. (CPD Ex. 83, pp. 58-74).

122. On May 18, 2020, Mr. Hernandez filed a Civil Fraud case in the Circuit Court of Montgomery County against the Respondents. (CPD Ex. 102, pp. 1-63).

123. On March 26, 2021, the Circuit Court for Montgomery County found in favor of Mr. Hernandez in a claim against Respondent Wittenberg. The court awarded Mr. Hernandez \$1,320,344.99. (CPD Ex. 83, pp. 75-76).

124. On May 20, 2021, Mr. Hernandez filed a claim in the Circuit Court for Prince William County in Virginia against the Professional Foreclosure Corporation in an attempt to save the home in Virginia from foreclosure. (CPD Ex. 103, pp. 1-17).

125. The Respondents never paid the creditors and TD Auto Finance repossessed the Toyota Tundra in 2019. Mr. Hernandez paid \$500.00 in storage fees and \$5,500.00 in back payments to get his truck back.

126. To stop the pending foreclosure of his home in Maryland, Mr. Hernandez paid \$19,000.00 to Mr. Cooper dba Nationstar Mortgage LLC.

127. In total, Mr. Hernandez paid Respondent Bailey \$65,197.39. The Respondents never refunded any monies paid.

Other Agents and Consumers

128. A “Personal Property Trust Agreement” dated September 13, 2016, that purportedly created the Wittenberg Family Trust, named Yong Min Cho as the sole Trustee. (CPD Ex. 119 at 1-7). An unsigned document titled “First Amendment to the Declaration of Trust Establishing the Wittenberg Family Trust” dated July 29, 2019 purported to amend the Personal Property Trust Agreement to add Arthur Wittenberg as Co-Trustee with individual Trustee powers. (CPD Ex. 119 at 8).

Irvin and Patricia Betch

129. In May 2019, Irvin Betch and Patricia Betch signed an “Agreement to Dissolve Debt” with the Respondents, including two mortgage loans, a line of credit, home improvement loan, and an auto loan. (CPD Ex. 120). Respondent Bailey notarized the documents. Mr. and Mrs. Betch paid Respondent Bailey \$39,287.69 as the initial payment and monthly payments in the amount of \$2,496.88. (CPD Ex. 128).

130. Respondent Bailey mailed letters to Mr. and Mrs. Betch that referenced each of their creditors and advised them that the Wittenberg Family Trust had issued in full “tender” to all accounts. (CPD Ex. 120 at 38-47). The creditors rejected the “tenders.”

131. In 2020, Aberdeen Proving Ground Federal Credit Union (APGFCU) filed a civil Replevin¹¹ action against Mr. and Mrs. Betch in the District Court for Harford County to repossess an automobile. On August 6, 2021, the Replevin action proceeded before a District

¹¹ Md. Rule 12-601.

Court judge. Respondent Wittenberg testified on behalf of Mr. and Mrs. Betch, as the trustee, purchaser of debts and notes, and regarding payments made to APGFCU. The District Court judge found for APGFCU. (CPD Ex. 121 and Ex. 121B).

132. In 2020, Truist Bank obtained a judgment against Mr. and Mrs. Betch in the amount of \$14,711.50 in the Circuit Court for Baltimore County. (CPD Ex. 120, pp. 147-148).

133. In 2020, Mr. Cooper dba Nationstar Mortgage filed a foreclosure action against Mr. and Mrs. Betch in the Circuit Court for Harford County. (CPD Ex. 120, pp. 149-155).

134. Mr. and Mrs. Betch paid \$81,734.65 to both Respondents; \$51,772.09 to Respondent Bailey and \$29,962.56 to Respondent Wittenberg. (CPD Ex. 128 and Ex. 129). The Respondents did not use the money to pay the creditors.

William Franklin and Iesha Fields

135. On July 16, 2019, Samuel I. White, P.C. obtained residential property previously owned by Mr. Franklin and Ms. Fields pursuant to a foreclosure sale. (CPD Ex. 122, pp. 31).

136. On August 22, 2019, William Franklin and Iesha Fields signed an "Agreement to Dissolve Debt," the debt being a residential mortgage, with Respondent Wittenberg and Yong Cho. (CPD Ex. 122, pp. 1-20).

Eugene Harris and Tenekia Harris

137. On September 24, 2018, Eugene Harris II and Tenekia Harris signed an "Agreement to Dissolve Debt," including a mortgage loan, two auto loans, two credit cards, and other unsecured loans, with Respondent Wittenberg and Yong Cho. (CPD Ex. 123, pp. 1-3).

138. Mr. Harris paid Respondent Bailey an initial payment in September 2018 of \$12,582.83 and monthly payments of approximately \$7,000.00 through January 2020, all totaling \$102,190.41. (CPD Ex. 123, pp. 45-71, CPD Ex. 128, and CPD Ex. 129).

139. Mr. Harris paid Respondent Wittenberg an initial payment in September 2018 of \$118,892.27 and monthly payments of \$6,977.58 from February 2020 through January 2021, all totaling \$204,168.07. (CPD Ex. 128 and CPD Ex. 129).

140. On December 12, 2018, Respondent Wittenberg paid \$10,000.00 to USAA, a creditor for Mr. Harris. (CPD Ex. 128 and CPD Ex. 129).

141. On March 25, 2019, Mr. and Mrs. Harris learned a foreclosure action had been filed against them; the Respondents provided them with a legal document entitled "Bill of Exceptions" to address the foreclosure action. (CPD Ex. 123, pp. 118-121).

142. In September 2019, Respondent Wittenberg mailed "tenders," each in the amount of \$3.00, to Infinity Financial Services/Infiniti Motor Company LTD, to Navy Federal Credit Union, and to Wells Fargo & Company to satisfy the outstanding debts. (CPD Ex. 123, pp. 73-117).

143. On September 13, 2019, Nissan North America, Inc. notified Mr. Harris that the "tenders" totaling \$3.00 were insufficient to satisfy the outstanding debt and were returned. (CPD Ex. 123, pp. 31-32). Nissan sought to repossess the vehicles due to nonpayment.

Brian Hockaday

144. On August 5, 2019, Brian Hockaday signed an "Agreement to Dissolve Debt," a residential mortgage and other debt, and other documents with Respondent Wittenberg and Yong Cho. (CPD Ex. 124, pp. 1-23). Respondent Bailey notarized the documents.

145. On August 5, 2019, Mr. Hockaday paid Respondent Bailey \$11,972.56. (CPD Ex. 128, p. 00089, and CPD Ex. 129).

Gerard McGovern

146. On October 7, 2020, Gerard McGovern paid Respondent Wittenberg \$17,700.00 via a wire transfer to have the Respondents dissolve a mortgage loan. (CPD Ex. 125, pp. 1-9).

Shunta Sims

147. On August 2, 2019, Shunta Sims signed a Real Property Trust Agreement and other documents with Respondent Wittenberg, Respondent Bailey, and Yong Cho. (CPD Ex. 126, pp. 1-58).

Clint Walker

148. On October 11, 2019, Clint Walker signed a Property Trust Agreement with Respondent Wittenberg and Yong Cho. (CPD Ex. 128, pp. 1-10). Respondent Wittenberg mailed “tenders” or twenty-one-dollar bills, silver coins, and signed stamps to NFCU.

Additional Findings of Fact

149. The Respondents marketed the WFT program to consumers on Signature Accounting’s website, by mailing solicitation letters to consumers, through press releases, by directly targeting individual consumers, some of whom were Signature Accounting’s clients and Respondent Bailey’s friends, and by providing some consumers a personalized letter of intent on Signature Accounting letterhead detailing the terms of the services offered by the Respondents along with a “Detail Sheet” on which the Respondents represented, without basis, that by joining the WFT program consumers would ultimately save hundreds of thousands of dollars, consumers’ accounts would “reflect closed with a zero balance” in a shorter timeframe than the original loan terms, and consumers would improve their credit

scores. *See* CPD Ex. 9; CPD Ex. 42; CPD Ex. 84; CPD Ex. 87; CPD Ex. 105; CPD Ex. 110; CPD Ex. 111; CPD Ex. 117; CPD Ex. 126 at 61; Anania, Anderson, Hernandez, Ijeh, and Njai testimony. The Respondents further represented to consumers that their debts and assets would be transferred to the Wittenberg Family Trust, which would pay off or “dissolve” the consumers’ outstanding debts using the upfront fees and monthly installment payments consumers paid to the Respondents. *See* Anania, Anderson, Hernandez, Ijeh, and Njai testimony; *see also* CPD Ex. 7 ¶ 10; CPD Ex. 83 ¶ 9; CPD Ex. 49 at 2.

150. The Respondents presented consumers whom they persuaded to join the WFT program with myriad seemingly formal legal documents related to their offer of mortgage assistance relief services, credit services, money transmission services, and debt management services with titles such as: “Agreement to Dissolve Debt,” *see* CPD Ex. 10; CPD Ex. 44; CPD Ex. 58; CPD Ex. 63; CPD Ex. 89; CPD Ex. 120 at 1-2; CPD Ex. 122 at 1-3; CPD Ex. 123 at 1-3; CPD Ex. 124 at 1-2; “Real Property Trust Agreement,” “Property Trust Agreement,” or “Deed of Trust/Terms and Conditions,” *see* CPD Ex. 11 at 1-11; CPD Ex. 46 at 1-7; CPD Ex. 47; CPD Ex. 59 at 1-11; CPD Ex. 64 at 1-7; CPD Ex. 90 at 1-11; CPD Ex. 91 at 1-11; CPD Ex. 120 at 3-13; CPD Ex. 122 at 4-14; CPD Ex. 124 at 3-13; CPD Ex. 125 at 1-7; CPD Ex. 126 at 1-11; CPD Ex. 127 at 1-9; “Warranty Deed,” *see* CPD Ex. 11 at 12-13, 18-19, 23-25, 30-31, 42-43; CPD Ex. 59 at 12-13; CPD Ex. 64 at 8; CPD Ex. 90 at 12-13; CPD Ex. 91 at 12-14, 21-22; CPD Ex. 122 at 15-16; CPD Ex. 124 at 14-15; CPD Ex. 126 at 12-13, 18-19, 24-25, 30-31, 36-37, 42-43, 48-49, 53-54; CPD Ex. 127 at 10-11; “Limited Power of Attorney,” *see* CPD Ex. 11 at 14-15, 20-21, 26-27, 32-33, 36-39, 44-45; CPD Ex. 46 at 8; CPD Ex. 59 at 14-15; CPD Ex. 64 at 9; CPD Ex. 90 at 14-15, 23-24; CPD Ex. 91 at 15-16; CPD Ex. 122 at 17-18; CPD Ex. 124 at 16-17; CPD Ex. 126 at 14-15, 20-21, 26-27, 32-33,

38-40, 44-45, 50-51, 55-56; CPD Ex. 127 at 12-13; and “Assignment of Beneficial Interest,” *See* CPD Ex. 11 at 16-17, 22-23, 28-29, 34-35, 40-4, 46-47; CPD Ex. 59 at 16-17; CPD Ex. 64 at 11; CPD Ex. 90 at 17-18; CPD Ex. 91 at 19-20, 26-27; CPD Ex. 122 at 19-20; CPD Ex. 124 at 19-20; CPD Ex. 126 at 16-17, 22-23, 28-29, 34-35, 40-41, 46-47, 52, 57-58; CPD Ex. 127 at 14-16. These documents contained misrepresentations and omitted statutorily required information such as disclosures, notices, and specific contract provisions. *See* Real Prop. § 7-502 and 12 CFR § 1015.4, Com. Law §§ 14-1904, 14-1905, and 14-1906, and Fin. Inst. § 12-916.

151. In some instances, the Respondents instructed consumers: (a) to file lawsuits against the consumers’ creditors in federal or state court using nonsensical “pleadings” and other documents provided by the Respondents alleging that the dollar bills, silver coins, and stamps they submitted to the consumers’ creditors constituted legal “tender” in full and complete satisfaction of their debts; or (b) to file nonsensical “Answers” to lawsuits brought against consumers by the consumers’ creditors alleging consumers’ debts had been paid in full by the submission of the so-called legal “tenders.” *See, e.g.,* CPD Ex. 21; CPD Ex. 22; CPD Ex. 23; CPD Ex. 27; CPD Ex. 31; CPD Ex. 32; CPD Ex. 38 at 4-5; CPD Ex. 78; CPD Ex. 79; CPD Ex. 122 at 26-29.

152. In some instances, Respondent Wittenberg filed complaints, petitions to intervene, and other motions and related filings in lawsuits, and appeared in court seeking to represent consumers although Respondent Wittenberg, by his own admission, has never been licensed as an attorney in any state. *See, e.g.,* CPD Ex. 2 at 78-79; CPD Ex. 51; CPD Ex. 52; CPD Ex. 83 at 3 ¶ 11; CPD Ex. 99; CPD Ex. 100; CPD Ex. 102 at 43-54; CPD Ex. 120 at 122-146; CPD Ex. 121B.

153. The Respondents instructed consumers not to contact or communicate with consumers' creditors, representing that for the WFT program to work to dissolve consumers' debts the Respondents alone would be responsible for all contact and communications with and payments to consumers' creditors. *See* CPD Ex. 12; CPD Ex. 13; CPD Ex. 54 ¶ 4, CPD Ex. 60; CPD Ex. 71 at 26; CPD Ex. 74 at 2; CPD Ex. 81 at 3; CPD Ex. 90 at 16; CPD Ex. 91 at 17-18, 25; CPD Ex. 93; CPD Ex. 120 at 14; CPD Ex. 122 at 21; CPD Ex. 124 at 18; CPD Ex. 126 at 72-73, 78, 82, 84, 88, 90, 94, 96, 100, 102, 106, 110, 114, 116, 120; CPD Ex. 127 at 17.

154. The Respondents misrepresented to consumers that consumers' debts would be "dissolved" after Respondents mailed to the CFO of consumers' creditors so-called "tenders" consisting of a dollar bill, a silver dollar coin, and an endorsed dollar stamp three times along with a copy of a default letter or a payoff statement that the Respondents had received from consumers or consumers' creditors on which the Respondents stamped:

ALL CONTRACTS ARE REPENTED AND RESCINDED. To any and all third[-]party debt collectors[:] Debt has been tendered by special deposit for credit on accounts with consideration pursuant to Article 1, §10 of the constitution [*sic*] of the united [*sic*] States of America[.] Refusal is DISCHARGE[.] [- "payment" amount].

See, e.g., CPD Ex. 21 at 61; CPD Ex. 34 at 176; CPD Ex. 38 at 1; CPD Ex. 41; CPD Ex. 50 at 2; CPD Ex. 54 at 10; CPD Ex. 61; CPD Ex. 71 at 26; CPD Ex. 74 at 2-3; CPD Ex. 75; CPD Ex. 80 at 3-19; CPD Ex. 97; CPD Ex. 100; CPD Ex. 120 at 38-46, 49-56, 59-64, 76-84, 128-130; CPD Ex. 123 at 73-180; CPD Ex. 128 at 19-31; *see also* Anania, Anderson, Hernandez, Ijeh, and Njai testimony.

155. The Respondents also misrepresented to consumers that Respondents would "dissolve" consumers' debts by "elevating" consumers to be recognized as "civilians" or "private

citizens” by submitting applications titled “Assumed Name/Amendment to Assumed Name” to the State of Minnesota Secretary of State, and that this process would give consumers access to “special” accounts at the U.S. Department of Treasury. *See, e.g.*, CPD Ex. 27 at 1, 3-4; CPD Ex. 100 at 10, 17; CPD Ex. 101; CPD Ex. 123 at 10-29; Anania testimony.

156. The Respondents also misrepresented to consumers that Respondents would “dissolve” consumers’ debts by running newspaper advertisements on three consecutive weeks announcing consumers’ creditors are in default based on their failure to accept the “tenders” in satisfaction of the debts, *see* CPD Ex. 121B at 10:22 to 20:03, and subsequently filing lawsuits in federal or state courts against consumers’ creditors alleging that the debts had been fully satisfied. *See, e.g.*, CPD Ex. 21; CPD Ex. 22; CPD Ex. 23; CPD Ex. 27; CPD Ex. 31; CPD Ex. 32; CPD Ex. 78; CPD Ex. 79; CPD Ex. 122 at 26-29.

157. The Respondents misrepresented to consumers that they were performing the promised mortgage assistance relief services, credit services, money transmission services, and debt management services when they were not doing so and, when consumers raised concerns about the status of their accounts after learning their accounts were in default, the Respondents repeatedly assured consumers that vehicle repossessions, foreclosure actions, and dropping credit scores are “normal” during the debt consolidation and dissolution process and advised consumers “not to worry about it.” *See* CPD Ex. 7 ¶¶ 19, 25; CPD Ex. 19 at 6, 46, 92-93; CPD Ex. 34 at 71, 76, 157; CPD Ex. 71 at 26; CPD Ex. 74 at 2; CPD Ex. 74 at 1; CPD Ex. 83 ¶¶ 10, 11; CPD Ex. 100; CPD Ex. 120; CPD Ex. 121B at 24:57 to 26:34, 27:30 to 29:10, 38:00 to 39:14; CPD Ex. 123 at 35-44; Anania, Anderson, and Hernandez testimony.

DISCUSSION

The Relevant Law

The General Assembly enacted the Maryland Consumer Protection Act (CPA), Md. Code Ann., Com. Law. §§ 13-301 through 13-501, the Maryland Mortgage Assistance Relief Services Act (MARS), Md. Code Ann., Real Prop. §§ 7-501 through 7-511, the Maryland Credit Services Business Act (MCSBA), Md. Code Ann., Com. Law. §§ 14-1901 through 14-1916, the Maryland Money Transmission Act (MMTA), Md. Code Ann., Fin. Inst. §§ 12-401 through 12-431, and the Maryland Debt Management Services Act (MDMSA) Md. Code Ann., Fin. Inst. §§ 12-901 through 12-931, to protect consumers engaged in financial transactions, including consumer and credit services.

The CPA defines unfair, abusive, or deceptive practices to include any:

- (1) False, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers;
- (2) Representation that:
 - ...
 - (ii) A merchant has a sponsorship, approval, status, affiliation, or connection which he does not have;
 - ...
- (3) Failure to state a material fact if the failure deceives or tends to deceive;
 - ...
- (9) Deception, fraud, false pretense, false premise, misrepresentation, or knowing concealment, suppression, or omission of any material fact with the intent that a consumer rely on the same in connection with:
 - (i) The promotion or sale of any consumer goods, consumer realty, or consumer service[.]

(Com. Law. §13-301).

Further, the CPA prohibits a person from engaging in unfair, abusive, or deceptive trade practices in:

- (1) The sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services;

- (2) The offer for sale, lease, rental, loan, or bailment of consumer goods, consumer realty, or consumer services;
- (3) The offer for sale of course credit or other educational services;
- (4) The extension of consumer credit;
- (5) The collection of consumer debts; or
- (6) The purchase or offer for purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

(Com. Law §13-303).

The MARS, refers to 12 CFR¹² §§1015.1 through 1015.11 (2022)¹³ and defines mortgage assistance relief service and a mortgage assistance relief provider in 12 CFR §1015.2. The CFR in turn defines mortgage assistance relief service as:

[A]ny service, plan, or program, offered or provided to the consumer in exchange for consideration, that is represented, expressly or by implication, to assist or attempt to assist the consumer with any of the following:

- (1) Stopping, preventing, or postponing any mortgage or deed of trust foreclosure sale for the consumer's dwelling, any repossession of the consumer's dwelling, or otherwise saving the consumer's dwelling from foreclosure or repossession;
- (2) Negotiating, obtaining, or arranging a modification of any term of a dwelling loan, including a reduction in the amount of interest, principal balance, monthly payments, or fees;
- (3) Obtaining any forbearance or modification in the timing of payments from any dwelling loan holder or servicer on any dwelling loan;
- (4) Negotiating, obtaining, or arranging any extension of the period of time within which the consumer may:
 - (i) Cure his or her default on a dwelling loan,
 - (ii) Reinstate his or her dwelling loan,
 - (iii) Redeem a dwelling, or
 - (iv) Exercise any right to reinstate a dwelling loan or redeem a dwelling;
- (5) Obtaining any waiver of an acceleration clause or balloon payment contained in any promissory note or contract secured by any dwelling; or
- (6) Negotiating, obtaining or arranging:
 - (i) A short sale of a dwelling,
 - (ii) A deed-in-lieu of foreclosure, or
 - (iii) Any other disposition of a dwelling other than a sale to a third party who is not the dwelling loan holder.

¹² Code of Federal Regulations.

¹³ Unless otherwise noted, all references hereinafter refer to this version.

(Real Property §7-501(d) and 12 CFR §1015.2).

The CFR defines “Mortgage Assistance Relief Service Provider or Provider” to mean:

[A]ny person that provides, offers to provide, or arranges for others to provide, any mortgage assistance relief service. This term does not include:

- (1) The dwelling loan holder, or any agent or contractor of such individual or entity.
- (2) The servicer of a dwelling loan, or any agent or contractor of such individual or entity.

(Real Property §7-501(e)(1) and 12 CFR §1015.2).

In turn, “person” means “any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity, except to the extent that any person is specifically excluded from the Federal Trade Commission's jurisdiction pursuant to 15 U.S.C. 44 and 45(a)(2).”

(12 CFR §1015.2).

Further, a mortgage assistance relief provider is prohibited from the following specific conduct including:

(a) Representing, expressly or by implication, in connection with the advertising, marketing, promotion, offering for sale, sale, or performance of any mortgage assistance relief service, that a consumer cannot or should not contact or communicate with his or her lender or servicer.

(b) Misrepresenting, expressly or by implication, any material aspect of any mortgage assistance relief service, including but not limited to:

(1) The likelihood of negotiating, obtaining, or arranging any represented service or result, such as those set forth in the definition of Mortgage Assistance Relief Service in § 1015.2;

(2) The amount of time it will take the mortgage assistance relief service provider to accomplish any represented service or result, such as those set forth in the definition of Mortgage Assistance Relief Service in § 1015.2;

...

(7) That the mortgage assistance relief service provider has completed the represented services or has a right to claim, demand, charge, collect, or receive payment or other consideration;

(8) That the consumer will receive legal representation;

...

(10) The amount of money or the percentage of the debt amount that a consumer may save by using the mortgage assistance relief service.

...

(c) Making a representation, expressly or by implication, about the benefits, performance, or efficacy of any mortgage assistance relief service unless, at the time such representation is made, the provider possesses and relies upon competent and reliable evidence that substantiates that the representation is true. For the purposes of this paragraph, competent and reliable evidence means tests, analyses, research, studies, or other evidence based on the expertise of professionals in the relevant area, that have been conducted and evaluated in an objective manner by individuals qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

(12 CFR §1015.).

In addition, the mortgage assistance relief provider is prohibited from collecting money in advance of contract performance and must include specific contract terms and disclosures to comply with MARS and the 12 CFR §§1015.4 and 1015.5.

The MCSBA defines “credit services business” as:

[A]ny person who, with respect to the extension of credit by others, sells, provides, or performs, or represents that such person can or will sell, provide, or perform, any of the following services in return for the payment of money or other valuable consideration:

(i) Improving a consumer's credit record, history, or rating or establishing a new credit file or record, or providing advice or assistance to a consumer with regard to improving the consumer's credit record, history, or rating or establishing a new credit file or record;

(Com. Law §14-1901(e)(1)(i).)

The MCSBA requires a credit services business to be licensed and prohibits a credit services business from engaging in conduct to include:

- (1) Receiv[ing] any money or other valuable consideration from the consumer, unless the credit services business has secured from the Commissioner a license under Title 11, Subtitle 3 of the Financial Institutions Article;
- (4) Mak[ing] or us[ing] any false or misleading representations in the offer or sale of the services of a credit services business;
- (5) Engag[ing], directly or indirectly, in any act, practice, or course of business which operates as a fraud or deception on any person in connection with the offer or sale of the services of a credit services business;

(6) Charg[ing] or receiv[ing] any money or other valuable consideration prior to full and complete performance of the services that the credit services business has agreed to perform for or on behalf of the consumer[.]

(Com. Law §§14-1902(1), (4-6)).

Pursuant to the MCSBA, a credit service business must provide specific contract statements including a notice of cancellation form, terms and conditions of payment, complete description of services to be provided, consumer's rights. The notice of cancellation must be in ten-point bold type font and follow the statement outlined in section 14-1906. In addition, the credit service business must provide an executed copy of the agreement to the consumer. (Com. Law. §14-1906). In addition, a credit service business is required to obtain a surety bond. (Com. Law § 14-1908).

The MMTA defines "money transmission" as:

- (1) . . . engaging in the business of selling or issuing payment instruments or prepaid access or receiving currency, funds, or other value that substitutes for currency and transferring currency, funds, or other value that substitutes for currency to another person or a location within or outside the United States by any means, including electronically, through the Internet, through a mobile application, through a network of persons, or through an informal value transfer system.
- (2) . . . includes any other activity that the Commissioner identifies as money transmission by regulation.

(Fin. Inst. § 12-401(n)).

Further, the MMTA requires a person engaged in the business of money transmission to be licensed or exempt; stating that a person is prohibited from engaging in money transmission unless the person:

- (1) Is licensed by the Commissioner;
- (2) Is an authorized delegate of a licensee under whose name the business of money transmission occurs; or
- (3) Is a person exempted from licensing under this subtitle.

(Fin. Inst. §12-405(a)).

The MDMSA defines debt management services as “receiving funds periodically from a consumer under an agreement with the consumer for the purpose of distributing the funds among the consumer's creditors in full or partial payment of the consumer's debts.” (Fin. Inst. §12-901(i)). Similar to other statutes, the MDMSA requires a debt management services provider to be licensed by the Commissioner, obtain a required surety bond, maintain and manage a trust account. (Fin. Inst. §12-906(a), §12-917, and §12-914).

Burden of Proof

In this proceeding, the CPD, as the Proponent, bears the burden of proof, by a preponderance of the evidence, to demonstrate violations of those provisions of the law. COMAR 02.01.02.05. To prove something by a “preponderance of the evidence” means “to prove that something is more likely so than not so,” when all of the evidence is considered. *Coleman v. Anne Arundel Cty. Police Dep’t*, 369 Md. 108, 125 n.16 (2002); *see also Mathis v. Hargrove*, 166 Md. App. 286, 310 n.5 (2005).

Based on the evidence presented, the Agency finds that the CPD met its burden against both Respondent Bailey and Respondent Wittenberg.

The CPD presented the testimony of five consumers, an investigator, and an OCFR employee. Mr. Bellman testified in his capacity as the Assistant Commissioner for Non-Depository Supervision for the OCFR. He outlined the licensure requirements for an individual or business to offer or sell mortgage assistance relief services, debt management services, credit services, and money transmission services. He testified the Respondents lacked the licenses necessary to comply with MCSBA, MDMSA, and MMTA. In fact, the Respondents never applied for a license to offer or sell debt management services, credit services, and money transmission services. He explained licenses are key to protect consumers engaged with

businesses providing regulated services. He explained that while a license is not required to comply with MARS, there are specific standards such as no upfront fees and required contract and disclosure provisions enforced by the OCFR.

Mr. Bellman further testified MARS statutorily permits an individual or business to offer mortgage assistance relief services, negotiate a loan modification or other related services for compensation, but does not permit upfront fees. In fact, Mr. Bellman explained a business can only seek payment once services are rendered.

Regarding the MCSBA, Mr. Bellman testified a licensed individual or business can sell or provide credit repair services for a fee, but the business must have a surety bond to protect consumers. In addition, the business shall only collect fees once services are rendered, not before.

Mr. Bellman explained the MMTA involves the selling of dollar-for-dollar payment instruments or providing bill payer services. Once again, he testified a properly licensed person or business may offer or sell these services, but he said the MMTA has stricter requirements to prevent money laundering. Like the MCSBA, the MMTA requires a surety bond.

Regarding the MDMSA, Mr. Bellman explained this act permits licensed individuals or businesses to collect money to pay debts for consumers. The MDMSA requires standards such as a surety bond, disclosures on the agreement, and consumer education. In addition, he stated it is prohibited to purchase a debt or compromise the debt.

Mr. Bellman explained that the Respondents lacked licensure and surety bonds to comply with the law and to protect consumers; he also testified generally that the MARS, the MCSBA, and the MDMSA require services providers to include specified provisions, disclosures, notices, and other information in written contracts and other documents. He further stated a trust is not

exempt from the licensure requirements, as entities can be licensed by OCFR. Mr. Bellman testified that Respondent Wittenberg did not have a license for the Wittenberg Family Trust.

The five consumers, each recounted similar interactions with the Respondents.

Enochia Anderson

Enochia Anderson testified she knew Respondent Marcia Bailey since they attended the Naval Academy together. Ms. Anderson described Ms. Bailey as a close friend and her “person.” Because of this close relationship, Ms. Anderson allowed Respondent Bailey to prepare her taxes and assist in other financial decisions. Ms. Anderson testified she sought to refinance her home and use some of the equity to pay down debt in preparation for her children attending college. Ms. Anderson explained she must maintain good financial habits to maintain her job and security clearance. As a result, she paid all bills on time and had not been in default.

Ms. Anderson testified Respondent Bailey told her about a wealthy client, Respondent Wittenberg, who had a trust that would dissolve debt. Ms. Bailey told Ms. Anderson she met Respondent Arthur Wittenberg when he was incarcerated with her brother. Mr. Wittenberg claimed to have been released after the charges were dismissed and denied being a criminal. Respondent Bailey showed Ms. Anderson a television interview in which Respondent Bailey and Respondent Wittenberg discussed a foreclosure program to help five families. Ms. Anderson recalled the interview did not take place in Florida but in some other state.

Respondent Bailey told Ms. Anderson that her credit score would improve after an initial decrease. In addition, Respondent Bailey told Ms. Anderson that the trustee would get the instruments of debt and use them in banking transactions, as a result Ms. Anderson would save \$400,000.00 in interest. Ms. Anderson learned that the program would take nine months to one year to dissolve the debts. In addition, Respondent Bailey told Ms. Anderson about an eye

doctor in Atlanta who had great success in the program. To further convince Ms. Anderson, Respondent Bailey said she and her family participated in the program. Ms. Anderson testified she later learned that neither Marcia Bailey nor her family participated in the program.

Ms. Anderson testified she continued to ask questions about the program, including how Respondent Bailey made money from the program. Respondent Bailey told Ms. Anderson that she earned passive income from finder's fees.

Ms. Anderson explained she questioned the idea of dissolving debt, but she trusted Respondent Bailey, so Ms. Anderson ultimately signed the agreement to join the program. In 2018, Ms. Anderson said her debt totaled approximately \$450,000.00 and she was not in default. She owned her home in Florida, a Chevy Traverse, and had credit card debt.

Ms. Anderson joined the program on January 17, 2019 by signing the applicable documents. Next Ms. Anderson explained she received emails from Respondent Bailey to send cease and desist letters to creditors. Respondent Bailey told Ms. Anderson that the creditors should only communicate with the Respondents. Ms. Anderson testified she never received the fully executed documents. However, Ms. Anderson paid the upfront fee of \$46,123.40 in separate payments due to a wire transfer issue. In addition, Ms. Anderson agreed to pay, and did pay, \$2,074.61 per month. Ms. Anderson believed the trust would work with the CFOs of the various creditors to deal with the debt. Respondent Bailey told Ms. Anderson not to contact the creditors or it would cause the program to start over. Respondent Bailey told Ms. Anderson the eye doctor had to start over because he contacted his creditors, and the trust could have taken his property. Ms. Anderson said she believed this to be a threat.

Ms. Anderson testified she learned her accounts were in default and requested weekly updates from Respondent Bailey, who provided reassurance that the defaults were part of the

process, but things would improve. However, Ms. Anderson stated that the NFCU repossessed her Chevy Traverse in August 2019. Ms. Anderson testified the repossession occurred while shopping with her children. Ms. Anderson called Respondent Bailey, who also called Respondent Wittenberg for a three-way call about the repossession. Ms. Anderson testified the Respondents advised her to report the Chevy Traverse as stolen, which she did. Next, the Respondents advised her to file a lawsuit against NFCU because NFCU received “legal tender.” Respondent Wittenberg advised her to pay the filing fee with only silver coins; Ms. Anderson testified she paid the filing fee with only silver coins. Ms. Anderson explained she received legal advice and documents from the Respondents to be used during the lawsuit, including specific verbiage such as “I am a civilian.” and “I stand on the paperwork submitted” and “Legal tender was submitted via certified mail to the CFO and received in according to the United States Post Office System.” (CPD Ex. 28, p. 8). Once the court dismissed the case, Ms. Anderson said the Respondents told her to file an appeal.

To deal with the vehicle repossession, Ms. Anderson testified Respondent Wittenberg offered to have a new vehicle delivered to her. Ms. Anderson testified she paid \$1,850.00 in delivery fees to have a vehicle delivered, but it never came. Ms. Anderson explained she rented a vehicle with promises from Respondent Wittenberg of reimbursement, but she never received reimbursement.

After the vehicle repossession, Ms. Anderson learned that the bank filed for foreclosure on her home due to nonpayment. Again, Ms. Anderson said the Respondents told her the foreclosure action was a mistake because the bank received the “legal tenders.” The Respondents also promised to send lawyers to Florida to represent her, but Ms. Anderson said the lawyers never came. Therefore, Ms. Anderson explained, she represented herself at a

foreclosure case management conference in state court. During the conference, she learned the house was in default since August 2019, the bank served the Respondents on December 31, 2019, and the judge would not accept copies of the “legal tenders.” Based on what happened in court and the emails with Respondent Wittenberg, Ms. Anderson said she spoke to an attorney and did not file the paperwork sent by the Respondents.

Ms. Anderson with the help of an attorney filed a lawsuit against the Respondents. She learned that none of her creditors accepted the “tenders” and ultimately, she determined the process was a fraud. To correct all that occurred, Ms. Anderson had to contact her creditors and get everything out of collections and foreclosure. As a result, Ms. Anderson said her credit score decreased. Due to the drop in her credit score, Ms. Anderson’s secret security clearance and job were in jeopardy. Ms. Anderson explained she never asked Respondent Bailey about licenses, as she believed Respondent Bailey ran a legitimate business and she initially had no reason to doubt Respondent Bailey.

Ms. Anderson emotionally testified that she contacted Respondent Bailey in January 2020 to ask for a refund, but Respondent Bailey denied the request, advised she would use the money to hire an attorney, and told Ms. Anderson to continue to make monthly payments.

Pastor David Ijeh

Next, the CPD presented the testimony of Pastor David Ijeh of The Redeemed Christian Church of God, River of Life (Church) located in Riverdale, Maryland. The Church had a mortgage with Foundation Capital Resource, Inc. Pastor Ijeh testified that the Church received a solicitation letter from Respondent Bailey and responded to the letter. He explained the Church had filed for bankruptcy in February 2020 due to a mortgage default caused by economic distress. He explained he and church members met with Respondent Wittenberg and Respondent

Wittenberg explained the “legal tender” would neutralize the debt. Pastor Ijeh said Respondent Wittenberg explained the dissolution debt process to include registering the Church as a trust and Respondent Wittenberg as the trustee, offering the legal tender three times, publishing the information in newspapers three times, and filing a lawsuit against the bank. Respondent Wittenberg told Pastor Ijeh not to tell the bankruptcy attorney about the dissolution process.

Pastor Ijeh testified he had “reservations” but ultimately signed the agreement and paid a total of \$115,000.00 to Respondent Wittenberg including the upfront fee of \$100,000.00 and an additional \$15,000.00 to expedite the court process. After payment, Pastor Ijeh said he received the “legal tenders” from Respondent Wittenberg to be mailed to the bank. Respondent Wittenberg filed a lawsuit against Foundation Capital to “secure the note.” Pastor Ijeh said the lawsuit changed nothing and the debt did not dissolve. Ultimately, Pastor Ijeh notified the bankruptcy attorney and filed again for bankruptcy. He learned that Respondent Wittenberg had made no payments to pay the mortgage and that the bank did not accept the “tenders.”

Pastor Ijeh contacted Respondent Wittenberg to request a refund of the money paid, but Respondent Wittenberg refused. Pastor Ijeh explained he never discussed licensing because Respondent Wittenberg seemed legitimate. He also said he never met with Respondent Bailey but did speak with her by phone to schedule meetings with Respondent Wittenberg.

Momodou Njai

Momodou Njai testified from West Africa as he returned there to care for his parents. Before returning to West Africa, Mr. Njai lived in Montgomery County and was married with two kids. He explained he met Respondent Wittenberg in 2019 while they both were at the auto mechanic shop. Mr. Njai testified that while he was getting a tire repaired on his Mercedes S Class 550, he and Respondent Wittenberg were talking and Mr. Njai mentioned his desire to sell

the Mercedes and return to Africa. Mr. Njai said he owed \$44,000.00 to NFCU for the car, paid the loan monthly, and was not in default. Mr. Njai described Respondent Wittenberg as a man in his late fifties who wore glasses and drove an older-model Corvette.

Mr. Njai mentioned he planned to sell his Mercedes to pay NFCU and Respondent Wittenberg suggested the debt dissolution program to pay off the Mercedes. Mr. Njai listened to Respondent Wittenberg but remained unsure about the program. Once at home, Mr. Njai stated he discussed it with his wife and looked up Respondent Wittenberg on the internet. Based on what he found, Mr. Njai reached out to Respondent Bailey to make an appointment with Respondent Wittenberg. During the next meeting with Respondent Wittenberg, Mr. Njai said Respondent Wittenberg gave him two ways to deal with the Mercedes. First, Respondent Wittenberg would pay it off and Mr. Njai could keep the Mercedes. Secondly, Respondent Wittenberg would pay off the Mercedes and Respondent Wittenberg would keep it.

In September 2019, Mr. Njai had another meeting with Respondent Wittenberg, this time Respondent Wittenberg drove a Bentley and counted money in front of Mr. Njai. Respondent Wittenberg explained the process began by placing the Mercedes in a trust, then paying the loan, and Respondent Wittenberg would take the Mercedes. Respondent Wittenberg told Mr. Njai not to make the October 2019 payment to NFCU. At this point, Mr. Njai explained it sounded “too good to be true;” yet he met with Respondent Bailey to sign an “Agreement to Dissolve Debt” and related documents. Mr. Njai said he did not pay the \$5,926.21 fee as the Respondents waived it. Instead of making a monthly payment to NFCU, Mr. Njai received a letter from NFCU and learned Respondent Wittenberg mailed NFCU \$42.00 in stamps, coins, and folded dollar bills and NFCU rejected the stamps and requested the outstanding payment.

Ultimately, Mr. Njai called NFCU and told not to give the vehicle to Mr. Wittenberg and that his account was in default. He learned that the Respondents made no payments and that they just wanted the vehicle. Mr. Njai testified that he sold the vehicle to a car dealer and ended up owing NFCU \$24,000.00. He never had further contact with Respondent Wittenberg and returned the \$42.00. Mr. Njai explained he never discussed licensing with the Respondents.

Dr. Douglas Anania

Douglas Anania lives and works in Georgia. Since 2004, he has worked as an optometrist and is the owner of two optometry offices: Parkway Family Eye Clinic, Inc., also known as Parkway Family Eye Care, Inc., and Brookleigh Family Eyecare, Inc.

Dr. Anania testified he first met Respondent Bailey in 2004 when she served as his personal and professional accountant when living in Baltimore, Maryland, and once he moved to Georgia in 2007 Respondent Bailey continued as his accountant. He testified she served as his accountant from 2004 through 2019. He testified Respondent Bailey told him she was licensed in both Maryland and Georgia.

Dr. Anania told Respondent Bailey of his interest in selling Parkway and Respondent Bailey mentioned Respondent Wittenberg as a “wealthy benefactor” and potential buyer. After speaking with the Respondents, Dr. Anania learned the program details included: setting up two trusts, a trust to hold Parkway and a second trust for other business and personal assets; paying the \$76,500.00 upfront fee; and paying \$5,561.00 per month for eighty-four months. At the conclusion, Dr. Anania believed his debts would be dissolved. He admitted it “sounded too good to be true.” He testified he asked questions about why the paper loans had a higher value and even researched the trust but received reassurances from his friend Respondent Bailey.

Dr. Anania's debts included \$565,218.01 in business debt and \$680,000.00 in personal debt, including two vehicle loans, two mortgages, and student loan debt. At the point of entry to the program, Dr. Anania testified his accounts were not in default. Even with the questions, Dr. Anania explained he signed the required documents and paid the Respondents \$76,500.00: \$36,500.00 via a wire transfer and \$40,000.00 from the Parkway business account. He gave the Respondents access to the business account to cover the balance of the fee. In total, Dr. Anania paid the Respondents \$160,000.00. As required by the signed documents, Dr. Anania made monthly payments to the Respondents and believed his creditors were being paid. He signed a letter to each creditor changing the point of contact to the Respondents. The Respondents told him to not make payments or communicate with the creditors as it would nullify the deal.

Dr. Anania explained that previously, the Vision One loan payment would be automatically deducted from his bank account each month, but once the program began, Respondent Bailey told him to close the bank account and open another account. Dr. Anania testified he complied since the Vision One loan was part of the business assets and debts in the program. Dr. Anania testified the Respondents initially made payments as agreed but he began to receive creditor phone calls and soon learned the Respondents stopped making payments. He also received emails from creditors advising that the accounts were in default and no payments were received.

After one year in the program, Dr. Anania said his debts were not dissolved as promised. On February 6, 2019, he called meeting with Respondent Bailey at his home in Georgia. As she did in previous years, Dr. Anania had Respondent Bailey prepare his taxes and they discussed the creditor defaults. He said she reassured him things were being taken care off and not to communicate with the creditors. In March 2019, Respondent Bailey emailed Dr. Anania to tell

him to stop communicating with the creditors. He also recalled a three-way call with Respondent Wittenberg, who communicated the same advice. During the call, Respondent Wittenberg assured Dr. Anania that the “tenders” were submitted to the creditors. Ultimately, Dr. Anania received letters from the creditors and learned the creditors rejected the “tenders.” Respondent Bailey reassured him and said the “tenders” must be sent three times.

In June 2019, the creditors began legal action against Dr. Anania. He explained the Respondents sent him emails with things to file and say, but never provided an attorney as they said they would. Dr. Anania testified he learned this entire program was a scam and said there was “not a chance” that he would have filed the documents provided by the Respondents. He described the verbiage as sovereign citizen rhetoric. Dr. Anania contacted Respondent Bailey after Respondent Wittenberg withdrew \$30,000.00 from the Parkway account, but she also withdrew \$10,000.00 by check on January 20, 2019.

In July 2019, Dr. Anania met with the Respondents at his home in Georgia. During the meeting, Respondent Wittenberg showed the certificate issued in Minnesota in Dr. Anania’s name to make him a private citizen. Dr. Anania testified he never authorized this action by Respondent Wittenberg. Respondent Wittenberg told Dr. Anania that as a private citizen he only dealt in silver and gold. Yet, when Dr. Anania asked how the Respondents could accept a wire transfer, that is not silver and gold, they did not have an answer.

On July 10, 2019, Dr. Anania withdrew money from his 401(k) account to prevent repossession of his home. Respondent Wittenberg continued to give instructions on specific verbiage to write on checks. Dr. Anania said his credit score dropped from 780 to 500. He requested refunds and reimbursements, but the Respondents never returned the money. He hired

an attorney and filed a civil action against the Respondents. Dr. Anania said the case is pending due to the pandemic and its impact on court scheduling.

Felipe Hernandez

Felipe Hernandez owned a handyman company and met Respondent Bailey in 2018. He explained that at some point Respondent Bailey stopped calling and he began to work with Respondent Wittenberg. Regarding a license, Mr. Hernandez believed Respondent Bailey to be a licensed accountant and realtor since that is how she portrayed herself to him. He recalled meeting Respondent Bailey through a mutual friend. Respondent Bailey offered to help Mr. Hernandez by providing money to buy and flip houses.

In October 2018, Mr. Hernandez said he owned two homes, one in Silver Spring, Maryland and one in Manassas, Virginia, and a Toyota Tundra. He testified his debt totaled \$480,000.00 and he was not in default. Respondent Bailey offered to dissolve his debt and he had to pay \$49,415.96 as a down payment, and monthly payments of \$2,254.49 for fifteen years. Mr. Hernandez testified he initially questioned the offer, but ultimately signed the documents and agreed to participate. He recalled Respondent Bailey notarized the documents. He also signed letters to be sent to his creditors changing the point of contact from him to the Respondents. Mr. Hernandez testified he made the first payment and believed the Respondents would pay his creditors. Instead, Mr. Hernandez explained he learned the Respondents had not paid any creditors when the bank repossessed the Tundra and the bank foreclosed on the home in Virginia. Mr. Hernandez said he contacted the Respondents who offered to get his vehicle returned, but Mr. Hernandez said they never told him it was in default.

Mr. Hernandez paid \$5,500.00 to TD Auto Finance plus \$500.00 in storage fees to get the Tundra back. He continued to work with Respondent Wittenberg to get the house in Virginia

back, including suing the bank. As for the house in Maryland, Mr. Hernandez explained he paid \$19,000.00 to reinstate the mortgage and not lose it in foreclosure.

In October 2019, Mr. Hernandez testified that Respondent Bailey stopped answering his calls and he primarily dealt with Respondent Wittenberg. Mr. Hernandez hired an attorney who told him this program was a scam. His attorney helped him file a lawsuit against the Respondents and to file a lawsuit in Virginia to try and get his home back. Mr. Hernandez said he paid the Respondents approximately \$65,000.00 and they never returned it.

OAG CPD Investigator

Finally, the CPD presented the testimony of Joshua Schafer, OAG CPD Investigator. Since 2014, Mr. Schafer has served as an investigator for CPD. He explained his duties include: serving subpoenas, interviewing witnesses, collection of documents, and conducting internet research. In this case, he recalled finding a LinkedIn page for both Respondents and a Facebook page in which Respondent Bailey describes offering foreclosure help. Further, Respondent Bailey listed her business address as 201 International Circle, Ste. 230, Hunt Valley, Maryland. In addition, he reviewed the SDAT filings for Respondent Bailey and found a Tax Preparer Identification number. However, Mr. Schafer testified he did not find a license or permit for Respondent Bailey to perform accounting services.

Mr. Schafer testified about the Respondents, the consumers who testified during the hearing, and several other consumers he interviewed but who did not participate in the hearing. During his research, Mr. Schafer also reviewed solicitation letters from Respondent Bailey to various people with property in distress, offering to help.

While investigating Respondent Wittenberg, Mr. Schafer testified he contacted the MVA and obtained a certified driving record and photo. During a previous court appearance,

Respondent Wittenberg testified under oath that he graduated from seminary school and also had a Ph.D. Mr. Schafer contacted both schools and learned Respondent Wittenberg never attended and did not have any degrees from the schools. Regarding the trust, Mr. Schafer reviewed a document that purports to create the trust in 2016; on July 29, 2019 a document purported to name Arthur Wittenberg as a co-trustee with Yong Min Cho.

Mr. Schafer learned of the Respondents' agreement with the Betchs, who are located in Harford County, Maryland. He reached out to the Betch family, but they declined to be interviewed. Mr. Schafer learned that on August 6, 2021, the Betchs appeared in the District Court for Harford County for a Replevin action and he obtained the audio court recording. During that hearing, Respondent Wittenberg testified about the participation of the Betchs in his program.

Mr. Schafer reviewed agreements between the Respondents and Mr. Franklin and Ms. Fields, but Mr. Franklin never made the upfront payment. Mr. Schafer also interviewed the Harrises, who signed the agreement and paid the Respondents. Mr. Schafer also reviewed an agreement between the Respondents and Mr. Hockaday. Mr. Hockaday paid the Respondents \$11,972.56. Mr. Schafer interviewed Mr. McGovern and learned he paid the Respondents \$17,700.00 for the Respondents to purchase the commercial paper holding the debts. Mr. McGovern told Mr. Schafer that Respondent Wittenberg was persuasive. Mr. Schafer reviewed an agreement between the Respondents and Ms. Sims. Ms. Sims paid the Respondents \$53,617.67.

Mr. Schafer interviewed Mr. Walker, who also signed an agreement with the Respondents. Mr. Walker spoke to the Respondents because he wanted to sell his vehicle to start a business. Respondent Wittenberg paid Mr. Walker \$5,000.00 for the vehicle and agreed to

make the payments to NFCU. However, Mr. Walker learned that the Respondent Wittenberg had made no payments to NFCU, and the vehicle was never returned.

Mr. Schafer testified the Division subpoenaed bank records for the Respondents and the consumers. As a result, he reviewed the bank records and found the Respondent Wittenberg received \$309,590.56 and Respondent Bailey received \$504,323.45 from consumers. In total, the Respondents paid \$60,974.35 to creditors. In addition, to paying creditors, Mr. Schafer testified the records show they transferred money to and from each other; Respondent Bailey sent \$47,075.00 to Respondent Wittenberg and Respondent Wittenberg sent \$11,174.21 to Respondent Bailey. (CPD Ex. 128).

Analysis

Respondent Wittenberg failed to appear at the Conferences and the hearing. However, Respondent Bailey and counsel failed to appear at the hearing, but counsel did appear at the Conferences. Pursuant to COMAR 02.01.02.17B and COMAR 28.02.01.23, the Proponent could have requested a default order be issued as to the Respondents; however, the Proponent did not make such a request. Therefore, the hearing proceeded in the absence of the Respondents and their representation.

It is undisputed that the Respondents worked together as they offered and sold mortgage assistance relief services, debt management services, money transmission services, and credit services. The evidence shows that the Respondents worked together to solicit consumers, provide documentation, and communicate with the consumers. The consumers who testified and those interviewed by the CPD Investigator all shared similar stories of solicitation and communication with the Respondents. Each consumer seemingly recounted the same practice of either Respondent Bailey or Respondent Wittenberg promising debt dissolution in a short period

of time after the consumer paid an upfront fee and monthly fees for multiple years. The consumers signed several documents and letters to creditors that were often notarized by Respondent Bailey. Within a few months, the consumers had property repossessed, homes placed in foreclosure, and debts in default. The consumers would contact the Respondents and the Respondents provided bogus legal documents and proof of payment of “legal tenders.” The consumers who testified reported Respondent Wittenberg provided copies of the “tenders” he mailed to various creditors as full payment of the consumers’ debts. In one instance, NFCU applied the money but returned the signed stamps. In another instance, another creditor refused to accept the tenders and returned the money and the signed stamps.

In addition, when the consumers were in legal jeopardy of losing their homes or other legal matters, the Respondents provided phony legal documents to be mailed to creditors or filed in state or federal court. While it is unclear who drafted the frivolous legal documents, the evidence shows that the Respondents provided the documents to consumers via email and provided instructions on filing the documents in court. In addition, Respondent Wittenberg also filed frivolous legal claims that did nothing to assist consumers preserve property or prevent foreclosure. Further, based on the evidence the Respondents are not licensed attorneys in Maryland or any other state.

In this case, the evidence overwhelmingly shows the Respondents did not have the authority or proper licenses to perform their range of services. Respondent Wittenberg admitted the same during the Preliminary Injunction hearing in the Circuit Court for Baltimore County and in the District Court for Harford County.

The evidence further shows that the Respondents lacked licenses to provide mortgage relief services, provide credit services, engage in the business of money transmission, and to

provide debt management services. Mr. Bellman provided credible testimony regarding OCFR licensing process, licensing requirements, and that the Respondents are not and have never been authorized to provide mortgage assistance relief services, and/or licensed to provide debt management services, credit services, or money transmission services. Further, Mr. Schafer testified Respondent Bailey is not, and has never been, licensed by the Maryland Board of Accountancy.

Although Respondent Wittenberg failed to appear at a hearing, he appeared and testified under oath in a preliminary injunction hearing in the Circuit Court for Baltimore County and in the District Court of Maryland for Harford County for a Replevin hearing.

On June 11, 2021, at the Preliminary Injunction hearing Respondent Wittenberg appeared, testified under oath, and identified Respondent Bailey as an agent of the trust. He further stated, “I offer trustee services” to make sure bills are paid off for a fee of \$10.00. Respondent Wittenberg admitted not having a license from the OCFR to conduct money transmission services, credit services, and debt management services. At the Replevin hearing in the District Court of Maryland for Harford County, Respondent Wittenberg testified on behalf of Mr. and Mrs. Betch and acknowledged sending “tenders” to APGCU to purchase the auto loan note.

Unlike Respondent Wittenberg, Respondent Bailey never testified in the previous preliminary injunction hearing or any other hearing under oath.

Mortgage Assistance Relief Services (MARS)

I find that the Respondents offered and sold statutorily defined mortgage relief services to consumers in exchange for consideration while statutorily prohibited to provide such services. The evidence overwhelmingly supports that the Respondents engaged in fraudulent mortgage

assistance relief services by offering and promising to dissolve mortgages, promising to save consumers money, instructing consumers to stop contacting mortgage lenders, providing phony legal documents to consumers in foreclosure, and filing frivolous lawsuits. The evidence shows that the Respondents received payment from several consumers including but not limited to Ms. Anderson, Dr. Anania, Mr. Hernandez, Pastor Ijeh, and Mr. and Mrs. Betch, as consideration for mortgage assistance relief services. Ms. Anderson testified that the Respondents provided legal documents and specific phrases she should say when appearing in state court.

Although nonsensical, I find that the Respondents used these documents to provide fraudulent mortgage assistance relief services as Ms. Anderson received instruction to have the documents notarized and filed in state court to stop the foreclosure. Dr. Anania testified he received the documents but refused to file them as he realized the Respondents were engaged in fraudulent activity. Ultimately, Dr. Anania explained he had to withdraw money from his 401(k) account to prevent foreclosure due to the unlicensed services performed by the Respondents.

The Respondents provided similar services to Pastor Ijeh to address the bankruptcy of the Church. Pastor Ijeh credibly testified he received a solicitation letter from Respondent Bailey, on behalf of Respondent Wittenberg, who offered assistance. Pastor Ijeh recalled meeting with Respondent Wittenberg, who offered mortgage relief assistance services and advised Pastor Ijeh to not share the offer with the Church's bankruptcy attorney. Respondent Wittenberg offered to cure the default in consideration for a substantial payment, the Respondents failed to cure the default. Ultimately, Pastor Ijeh paid the Respondents over \$115,000.00, received no services, and had to file a second unsuccessful bankruptcy action. I find that Pastor Ijeh provided credible testimony about the Respondents' actions and the money he paid for their services. Like other

consumers, Pastor Ijeh described the documents he signed all with the promise of debt dissolution for the Church.

Similarly, Mr. Hernandez relied on the Respondents' representations that they would pay his mortgage; instead, the Respondents did not pay the mortgage and he lost the Virginia house in foreclosure. Ms. Anderson learned her home was in foreclosure due to nonpayment by the Respondents. The Respondents emailed her phony legal documents and copies of the "tenders," that the court would not accept.

Pursuant to MARS, the Respondents provided prohibited mortgage assistance relief services to Ms. Anderson. The ALJ believed the testimony of Jedd Bellman of the OCFR that the Respondents provided statutorily prohibited mortgage assistance relief services because they requested upfront fees and failed to follow the standards as outlined in MARS and 12 CFR 1015.1 through 12 CFR 1015.11. Because the Agency finds MARS violations, the Agency further finds that the Respondents engaged in unfair trade practices, deceptive trade practices, and abusive trade practices in violation of the CPA. *See* Md. Code Ann., Real Prop. § 7-510 (violation of MARS is "[a]n unfair or deceptive trade practice within the meaning of Title 13 of the Commercial Law Article").

Maryland Credit Services Businesses Act (MCSBA)

The evidence shows that the Respondents operated a credit services business by offering to improve credit scores, save consumers money, dissolve debt, and provide related credit relief within a short period of time. The Respondents lacked the required surety bond. Further, the Respondents violated MCSBA by requiring large upfront payments and lengthy monthly payments before completion of the defined credit services. All consumers who testified at the hearing and those interviewed by Mr. Schafer described the same practices by the Respondents.

In addition, the evidence shows the Respondents made false and misleading representations to consumers during the offer and sale of credit services. Further, when things got bad for the consumers, the Respondents misled consumers, providing false reassurances.

Each consumer who testified provided detailed information about the debt dissolution program offered by the Respondents. Before paying the Respondents, the consumers testified they had good credit scores and no accounts were in default; however, after a few months in the program the credit scores dropped, and credit accounts were in default. Ms. Anderson testified that Respondent Bailey convinced her to not worry about the credit score drop and represented it would get better in a few months.

The Respondents engaged in a course of business designed to deceive consumers and required upfront payments before rendering services. In this case, the Respondents presented consumers with similar documents entitled “Private Banking Debt Liquidation Program” that outlined the debt, program fee, total program savings. In the case of Ms. Anderson, the Respondents promised to save her \$431,343.65. (CPD Ex. 7). The Respondents also presented consumers with an “Agreement to Dissolve Debt.” (CPD Ex. 7). The Respondents made similar promises to all of the consumers who either testified during the hearing or were interviewed by Mr. Schafer, as outlined in the documents on Respondent Bailey’s letterhead. The Respondents promised to save consumers money but the representations were not based in reality. Moreover, the Respondents told consumers they could only take advantage of the savings if they made large upfront payments and monthly payments for years.

Pastor Ijeh paid \$115,000.00 for the Respondents to save the Church, but the Respondents did nothing. The Church ended up in bankruptcy for the second time and was out \$115,000.00. Mr. Hernandez paid \$49,000.00 upfront and still lost his Virginia house. Dr.

Anania paid \$76,000.00 upfront and paid more money to ultimately prevent his home from being sold in foreclosure.

The evidence is overwhelming that the Respondents misrepresented the debt dissolution program and promised debt savings that were not possible. The Agency finds the Respondents failed to provide executed documents to the consumers. The ALJ found the consumer witnesses credible in their testimony that they requested document copies, but the Respondents failed to provide executed copies. Because the Respondents did not have a legitimate program, the debt savings were completely fabricated, not based in reality, and fraudulent. Further, in the ALJ's review of the hundreds of pages of exhibits, the ALJ found that the Respondents failed to provide the required notice of cancellation provision.

Pursuant to the MCSBA, the Respondents required a license from the OCFR to provide credit services business and both Respondents lacked the required license. The Respondents failed to obtain a license to collect money from consumers and failed to maintain a surety bond. The Respondents failed to provide document copies to consumers, and the agreements failed to include consumer rights and a cancellation provision. Further, the Respondents illegally charged upfront fees before providing credit services. The ALJ found Jedd Bellman of the OCFR credibly testified that the Respondents lacked a license to provide credit services. Because the Agency finds MCSBA violations, the Agency further finds that the Respondents engaged in unfair trade practices, deceptive trade practices, and abusive trade practices in violation of the CPA. *See* Md. Code Ann., Com. Law § 14-1914(a) ("Each sale of the services of a credit services business that violates any provision of this subtitle is an unfair or deceptive trade practice under [the CPA]").

Maryland Money Transmission Act (MMTA)

The evidence presented supports that the Respondents provided and sold unlicensed money transmission services by sending “tenders” to the various creditors across the United States. Respondent Wittenberg created “tenders” that consisted of folded dollar bills, silver dollar coins, and stamps with his signature and provided these as payment for auto loans, mortgages, and credit card payments. (See CPD Ex. 41). The Respondents provided and sold “tenders” as an instrument of monetary value to dissolve or payoff a debt. The “tenders” included dollar bills and silver coins for less than the amount due to pay off a debt. In addition, the Respondents misled the consumers to believe the money collected and the “tenders” would pay off the debts, but many creditors rejected the “tenders” completely. Respondent Wittenberg paid \$10,000.00 to USAA for Mr. Harris but stopped paying any other creditors. The Wittenberg Family Trust paid \$50,000.00 in bills for Dr. Anania, but the Wittenberg Family Trust discontinued paying the creditors. For example, to satisfy an auto loan at NFCU in the amount of \$27,874.91 for Ms. Anderson, Respondent Wittenberg provided a folded dollar bill, one silver coin, and a signed postage stamp. (CPD Ex. 41). The evidence shows that Respondent Wittenberg provided similar “tenders” to other creditors for Ms. Anderson and other consumers. Respondent Wittenberg provided copies of the “tenders” to consumers as proof of payment to the creditors; however, several creditors returned the “tenders” as insufficient payment for the outstanding debt.

The Respondents engaged in a rather elaborate scheme as they used items of varying amounts and value to send payment to the creditors of consumers. The Agency finds this method of sending folded money to creditors is, by definition, money transmission, as the Respondents acted as a bill payer service or informal money transfer system between the

consumer and the creditors. The Respondents, acting as a bill payer service, by definition, accepted payment from consumers to pay bills on their behalf.

Pursuant to MMTA, the Respondents required a license from the OCFR to provide money transmission services. The ALJ found Jedd Bellman provided credible testimony that the Respondents lacked a license to provide money transmission services and failed to file a surety bond as required. The Agency further finds the Respondents used “tenders” as an instrument of monetary value to pay bills as a bill payer. Because the Agency finds the Respondents committed multiple MMTA violations including operating without a required a license, the Agency further finds that the Respondents engaged in unfair trade practices, deceptive trade practices, and abusive trade practices in violation of the CPA. (Com. Law § 13-301(1), (2)(ii), (3), and (9)(i)).

Maryland Debt Management Services Act (MDMSA)

The Agency finds that the Respondents provided unlicensed debt management services as they received funds from consumers via an agreement made for the purposes of paying the debts of the consumers. The evidence shows that the Respondents had consumers sign agreements to make monthly payments of varying amounts to be used to pay the debt of the consumers. The evidence further shows that the Respondents promised to pay creditors if the consumers made a large initial upfront payment and monthly payments. Further, the agreements did not note a surety bond but did provide the wire transfer instructions to the personal accounts of Respondent Marcia Bailey and Respondent Arthur Wittenberg. The amounts paid varied between each consumer.

EXHIBIT NO.	DATE	RECIPIENT	CONSUMER	AMOUNT
CPD Ex. 128 CPD NO. 00054	12/16/2019	Signature Accounting	Anderson	\$214.61
CPD Ex. 128 CPD NO. 00061	11/25/2019	Signature	Anderson	\$2,074.61

		Accounting		
CPD Ex. 128 CPD NO. 00071	10/10/2019	Signature Accounting	Anderson	\$2,900.00
CPD Ex. 128 CPD NO. 00071	10/10/2019	Signature Accounting	Anderson	\$2,900.00
CPD Ex. 128 CPD NO. 00072	10/25/2019	Signature Accounting	Anderson	\$2,074.61
CPD Ex. 128 CPD NO. 00079	9/25/2019	Signature Accounting	Anderson	\$2,074.61
CPD Ex. 128 CPD NO. 00089	8/26/2019	Signature Accounting	Anderson	\$2,074.61
CPD Ex. 128 CPD NO. 00097	7/25/2019	Signature Accounting	Anderson	\$2,074.61
CPD Ex. 128 CPD NO. 00109	6/25/2019	Signature Accounting	Anderson	\$2,074.61
CPD Ex. 128 CPD NO. 00119	5/28/2019	Signature Accounting	Anderson	\$2,074.61
CPD Ex. 128 CPD NO. 00129	4/25/2019	Signature Accounting	Anderson	\$2,074.61
CPD Ex. 128 CPD No. 00137	3/4/2019	Signature Accounting	Anderson	\$2,074.61
CPD Ex. 128 CPD NO. 00138	3/25/2019	Signature Accounting	Anderson	\$2,074.61
CPD Ex. 128 CPD NO. 0146	2/21/2019	Signature Accounting	Anderson	\$13,500.00
CPD Ex. 15	1/21/2019	Signature Accounting	Anderson	\$13,000.00
CPD Ex. 14	1/17/2019	Signature Accounting	Anderson	\$25,197.40
CPD Ex. 128 CPD NO. 00061	11/25/2019	Signature Accounting	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 00072	10/29/2019	Signature Accounting	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 00089	8/26/2019	Signature Accounting	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 00097	7/3/2019	Signature Accounting	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 00097	7/16/2019	Signature Accounting	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 00119	5/10/2019	Signature Accounting	Betch	\$39,287.69
CPD Ex. 128 CPD NO. 00045	1/3/2020	Signature Accounting	Harris	\$6,977.58
CPD Ex. 128 CPD NO. 00053	12/9/2019	Signature Accounting	Harris	\$7,000.00

CPD Ex. 128 CPD NO. 00061	11/8/2019	Signature Accounting	Harris	\$7,000.00
CPD Ex. 128 CPD NO. 00071	10/7/2019	Signature Accounting	Harris	\$7,000.00
CPD Ex. 128 CPD NO. 00071	10/15/2019	Signature Accounting	Harris	\$750.00
CPD Ex. 128 CPD NO. 00079	9/5/2019	Signature Accounting	Harris	\$7,000.00
CPD Ex. 128 CPD NO. 00097	7/3/2019	Signature Accounting	Harris	\$6,980.00
CPD Ex. 128 CPD NO. 00097	7/29/2019	Signature Accounting	Harris	\$7,000.00
CPD Ex. 128 CPD NO. 00109	6/4/2019	Signature Accounting	Harris	\$6,980.00
CPD Ex. 128 CPD NO. 00119	5/2/2019	Signature Accounting	Harris	\$6,980.00
CPD Ex. 128 CPD NO. 00129	4/1/2019	Signature Accounting	Harris	\$6,980.00
CPD Ex. 128 CPD NO. 00137	3/4/2019	Signature Accounting	Harris	\$6,980.00
CPD Ex. 128 CPD NO. 00137	3/13/2019	Signature Accounting	Harris	\$5,000.00
CPD Ex. 128 CPD NO. 00145	2/8/2019	Signature Accounting	Harris	\$6,980.00
CPD Ex. 123, p. 7	9/24/2018	Signature Accounting	Harris	\$12,582.83
CPD Ex. 128 CPD NO. 00045	1/2/2020	Signature Accounting	Hernandez	\$2,254.49
CPD Ex. 128 CPD NO. 00053	12/2/2019	Signature Accounting	Hernandez	\$2,254.49
CPD Ex. 128 CPD NO. 00061	11/4/2019	Signature Accounting	Hernandez	\$2,254.49
CPD Ex. 128 CPD NO. 00071	10/2/2019	Signature Accounting	Hernandez	\$2,254.49
CPD Ex. 128 CPD NO. 00079	9/3/2019	Signature Accounting	Hernandez	\$2,254.49
CPD Ex. 128 CPD NO. 00089	8/5/2019	Signature Accounting	Hernandez	\$2,254.49
CPD Ex. 128 CPD NO. 00097	7/5/2019	Signature Accounting	Hernandez	\$2,254.49
CPD Ex. 128 CPD NO. 00119	5/31/2019	Signature Accounting	Hernandez	\$49,415.96
CPD Ex. 128 CPD NO. 00089	8/5/2019	Signature Accounting	Hockaday	\$11,972.56
CPD Ex. 128 CPD NO. 02023	1/12/2018	Wittenberg Family Trust	Anania	\$18,500.00

CPD Ex. 128 CPD NO. 2023	1/12/2018	Wittenberg Family Trust	Anania	\$18,000.00
CPD Ex. 128 CPD NO. 02027	3/7/2018	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 2029	3/8/2018	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02031	4/5/2018	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02031	4/5/2018	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02035	5/4/2018	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02035	5/4/2018	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02039	6/6/2018	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02039	6/6/2018	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02043	7/6/2018	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02043	7/6/2018	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02047	8/6/2018	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02047	8/7/2018	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02052	9/6/2018	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02052	9/7/2018	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02055	10/3/2018	Wittenberg Family Trust	Anania	\$567.38
CPD Ex. 128 CPD NO. 02056	10/4/2018	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02056	10/5/2018	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02057	11/6/2018	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02057	11/7/2018	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02063	12/5/2018	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02063	12/6/2018	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02067	1/7/2019	Wittenberg Family Trust	Anania	\$4,951.59

CPD Ex. 128 CPD NO. 02067	1/7/2019	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02071	2/6/2019	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02071	2/6/2019	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02076	3/6/2019	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02076	3/6/2019	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02080	4/4/2019	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02080	4/5/2019	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02084	5/6/2019	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02084	5/7/2019	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02087	6/5/2019	Wittenberg Family Trust	Anania	\$4,951.59
CPD Ex. 128 CPD NO. 02087	6/6/2019	Wittenberg Family Trust	Anania	\$700.00
CPD Ex. 128 CPD NO. 02091	6/20/2019	Wittenberg Family Trust	Anania	\$10,000.00
CPD Ex. 128 CPD NO. 02119	1/21/2020	Wittenberg Family Trust	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 02126	2/25/2020	Wittenberg Family Trust	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 02132	3/30/2020	Wittenberg Family Trust	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 02137	4/28/2020	Wittenberg Family Trust	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 02141	5/28/2020	Wittenberg Family Trust	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 02149	6/29/2020	Wittenberg Family Trust	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 02154	7/28/2020	Wittenberg Family Trust	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 02161	8/25/2020	Wittenberg Family Trust	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 02169	10/5/2020	Wittenberg Family Trust	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 02176	10/27/2020	Wittenberg Family Trust	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 02183	12/1/2020	Wittenberg Family Trust	Betch	\$2,496.88

CPD Ex. 128 CPD NO. 02187	12/28/2020	Wittenberg Family Trust	Betch	\$2,496.88
CPD Ex. 128 CPD NO. 02055	9/25/2018	Wittenberg Family Trust	Harris	\$118,892.27
CPD Ex. 128 CPD NO. 02126	3/5/2020	Wittenberg Family Trust	Harris	\$7,000.00
CPD Ex. 128 CPD NO. 02130	3/23/2020	Wittenberg Family Trust	Harris	\$1,500.00
CPD Ex. 128 CPD NO. 02134	4/6/2020	Wittenberg Family Trust	Harris	\$6,977.58
CPD Ex. 128 CPD NO. 02138	5/5/2020	Wittenberg Family Trust	Harris	\$6,977.58
CPD Ex. 128 CPD NO. 02143	6/5/2020	Wittenberg Family Trust	Harris	\$6,977.58
CPD Ex. 128 CPD NO. 02150	7/6/2020	Wittenberg Family Trust	Harris	\$6,977.58
CPD Ex. 128 CPD NO. 02155	8/5/2020	Wittenberg Family Trust	Harris	\$6,977.58
CPD Ex. 128 CPD NO. 02162	9/8/2020	Wittenberg Family Trust	Harris	\$6,977.58
CPD Ex. 128 CPD NO. 02169	10/5/2020	Wittenberg Family Trust	Harris	\$6,977.58
CPD Ex. 128 CPD NO. 02178	11/5/2020	Wittenberg Family Trust	Harris	\$6,977.58
CPD Ex. 128 CPD NO. 02183	12/7/2020	Wittenberg Family Trust	Harris	\$6,977.58
CPD Ex. 128 CPD NO. 02188	1/5/2021	Wittenberg Family Trust	Harris	\$6,977.58
CPD Ex. 128 CPD NO. 02121	2/5/2020	Wittenberg Family Trust	Harris	\$7,000.00
CPD Ex. 128 CPD No. 02155, CPD Ex. 50, p.2	8/7/2020	Wittenberg Family Trust	Ijeh	\$15,000.00
CPD Ex. 128 CPD NO. 02162, CPD Ex. 50, p. 3	9/1/2020	Wittenberg Family Trust	Ijeh	\$15,000.00
CPD Ex. 128 CPD NO. 02167	9/18/2020	Wittenberg Family Trust	Ijeh	\$70,000.00
CPD Ex. 50, p. 5	1/13/2021	Wittenberg Family Trust	Ijeh	\$5,000.00
CPD Ex. 50, p. 6	5/25/2021	Wittenberg Family Trust	Ijeh	\$10,000.00
CPD Ex. 128 CPD NO. 02169	10/7/2020	Wittenberg Family Trust	McGovern	\$17,700.00
TOTAL				\$813,914.01

(CPD Ex. 129).¹⁴

The Agency finds the Respondents failed to make timely payments to creditors causing foreclosures and vehicle repossessions. Initially, the Respondents made monthly payments on behalf of Dr. Anania to his personal creditors but that stopped, causing serious defaults. They did not make payments to his business creditors. The Respondents made one payment of \$10,000.00 on behalf of Mr. Harris. Although the Respondents did not collect an upfront payment from Mr. Njai, Respondent Wittenberg mailed “tenders” to NFCU and almost obtained a vehicle from Mr. Njai without proper payment.

Further, instead of having a separate trust account, the Respondents had funds directly deposited into the personal bank accounts of the individual Respondents and commingled business funds and personal funds. The Respondents had Ms. Anderson and Dr. Anania wire funds directly to each Respondent. The other consumers wired money between the two Respondents, but never to a separate account.

Pursuant to MDMSA, the Respondents required a license from the OCFR to provide debt management services. The ALJ found Jedd Bellman provided credible testimony that the Respondents lacked a license to provide debt management services and failed to file the required surety bond. In addition, the Respondents failed to comply with MDMSA because they failed to provide a consumer education program, failed to provide a written debt management agreement disclosing the existence of a surety bond, and inappropriately charged a fee before the execution of the debt management agreement. Further, the Respondents failed to establish a trust account to hold funds received by consumers for reimbursement purposes and they failed to pay creditors within eight days. Based on the facts and misrepresentations used to establish MDMSA violations, the Agency finds the same facts and misrepresentations show that the Respondents

¹⁴ See Proponent’s Proposed Finding of Facts Number 85(a).

engaged in unfair trade practices, deceptive trade practices, and abusive trade practices in violation of the CPA. (Com. Law., §§ 13-301 and 13-303; Fin. Inst. §12-920(a)(6)).

Consumer Protection Act

The Proponent presented testimony of several consumers, the OCFR representative and the OAG CPD investigator to show the Respondents, acting as merchants,¹⁵ engaged in unfair, abusive, and deceptive practices. Each consumer recounted a similar account of the promise by the Respondents to dissolve debts, provide mortgage relief, debt assistance, and cancel debt with the mailing of “tenders.” The ALJ found the testimony provided by the consumers to be credible and at some times quite emotional. During her testimony, Ms. Anderson became emotional as she detailed the actions of Respondent Marcia Bailey, who was a close friend. Ms. Anderson testified she did not quite understand the process, but Respondent Bailey promised to dissolve the debt with the assistance of her wealthy client, Respondent Wittenberg. Respondent Bailey intentionally misled Ms. Anderson from the beginning and Respondent Wittenberg continued the deceptive practices. Even after NFCU repossessed the Chevy Traverse, the Respondents continued to falsely claim NFCU had been paid; therefore, NFCU stole the vehicle. The Respondents continued the same false claims regarding the foreclosure action involving the home of Ms. Anderson.

Each consumer credibly testified about the deceptive practices of the Respondents. Like Ms. Anderson, Dr. Anania knew Respondent Bailey for many years and considered Ms. Bailey a friend. Yet that friendship did not discourage Respondent Bailey from falsely claiming a connection to a wealthy client, Respondent Wittenberg to purchase Dr. Anania’s business. While Respondent Bailey has a connection to Respondent Wittenberg, she never disclosed that Respondent Wittenberg lacked the funds to support the debt dissolution program. In fact,

¹⁵ Com. Law 13-101(g).

Respondent Bailey misrepresented Respondent Wittenberg as a “wealthy” donor working to help families. This failure to disclose this information is a material fact, in that it would be important to consumers determining whether to entrust their own funds to the Respondents, and was intended to deceive Ms. Anderson, Pastor Ijeh, Dr. Anania, and Mr. Hernandez.

Once the consumers paid the upfront fee and signed documents to participate in the program, the Respondents instructed the consumers to sign documents to change the contact information to Respondent Wittenberg. However, the Respondents failed to disclose to the consumers that upfront payments or monthly payments collected would not be used to pay the creditors. Therefore, once the creditors failed to receive payment, the creditors would notify the Respondents and not the actual consumers. As a result, the consumers were not notified that their accounts were in default, pending foreclosure, or pending repossession. The Agency finds this fact to also be material as it was intended to deceive the consumers and the information would be important to consumers in determining their course of action. In *Green*¹⁶, the Court of Appeals held “[a]n omission is material if a significant number of unsophisticated consumers would find that information important in determining a course of action.” Based on the testimony, the deception worked as Ms. Anderson had no idea NFCU had not been paid and planned to repossess her vehicle or that the mortgage had not been paid and her home was in foreclosure. Sadly, Ms. Anderson learned of the vehicle when NFCU repossessed the vehicle while she was out with her children and learned of the foreclosure based on filings she received at home.

Dr. Anania and Mr. Hernandez also learned their accounts were in default when the creditors either directly contacted them or in the case of Mr. Hernandez, foreclosed on his home in Virginia. To further the deceptive practices, Respondent Wittenberg mailed “tenders” to

¹⁶ See *Green v. H&R Block, Inc.*, 355 Md. 488 (1998).

various creditors as payment in full of the outstanding debt. Using this method, Respondent Wittenberg misrepresented his connection with the creditor's CFOs and the U.S. Treasury. Respondent Wittenberg falsely alleged the creditors had three opportunities to accept the "tenders" and if not accepted the debt would be dissolved. Ms. Anderson, Dr. Anania, Mr. Hernandez, Pastor Ijeh, and Mr. Njai all testified to this "tenders" process. Pastor Ijeh testified that Respondent Wittenberg mailed "tenders" to Foundation Capital to try and pay for the church, but they were rejected. Mr. Njai testified that Respondent Wittenberg promised to dissolve the NFCU vehicle debt with the "tenders," but NFCU accepted the \$42.00 and returned the signed postage stamps because they lacked monetary value. NFCU also noted that payments were outstanding and had not been received, although Respondent Wittenberg falsely represented, he made payments.

Because the Agency finds the Respondents violated MARS and MCSBA, the Agency also finds the Respondents violated the CPA. (Real. Prop. §7-510, Com. Law §14-1914). The Agency further finds that the Respondents violated MCSBA, MMTA, and MDMSA as they lacked the required license and surety bond. (Com. Law. 13-301(1) and (2)). A violation of the statute is also a violation of the CPA.¹⁷ Further, in *Consumer Protection Division v. Morgan*, 387 Md. 125, (2005), the Court of Appeals held the Proponent need not show scienter to prove a CPA violation, "the subsections require only a false or deceptive statement that has the capacity to mislead the consumer..." In this case, the Agency finds the Respondents violated MMTA and MDMSA by providing false and deceptive statements to consumers regarding the offer, sale, and performance of the debt dissolution program, the savings, legal advice, upfront collection of fees, payment to creditors, and the working relationship between the Respondents. (Fin. Inst. §§ 12-414 and 12-920(a)(6)).

¹⁷ Real. Prop. §7-510; Com. Law §14-1914.

Deceptive Trade Practices

The Agency finds the Respondents engaged in deceptive trade practices as they misled consumers to believe Respondent Wittenberg had extensive wealth to dissolve debts. Respondent Bailey misled consumers, including her friends Ms. Anderson and Dr. Anania, that she had an accounting license to provide accounting services. Respondent Bailey further misled consumers to believe Respondent Wittenberg had sufficient money and connections with the U.S. Department of the Treasury to dissolve debts with the use of legal “tenders.” The deception continued as the debt dissolution program and legal documents lead consumers to make large upfront payments and monthly payments to the Respondents for services they could not render. The deceptive and misleading practices caused consumers to lose homes, vehicles, experience financial loss, defaults, and decreased credit scores. The ALJ found all the consumers who presented live testimony during the hearing to be credible. The ALJ further found the testimony of Mr. Schafer to be credible as he recounted the experiences of many other consumers. The bank records presented by the CPD show the money received from each consumer was deposited into the personal accounts of Respondent Bailey and Respondent Wittenberg. Further, the bank records show the two Respondents transferred money between each other for their own personal expenses. The Respondents never disclosed their actual intentions or lack of legal services.

Lastly, the Agency finds the Respondents lacked the appropriate licenses to lawfully operate under the MCSBA, MMTA, and the MDMSA. While the OCFR does not require a license to provide mortgage assistance relief services, the Agency further finds the Respondents engaged in prohibited conducted as identified by MARS and 12 CFR § 1015.3.

Unfair Trade Practices

The Agency finds the Respondents engaged in unfair trade practices by offering and selling mortgage assistance relief services, credit services, money transmission services, and debt management services to consumers. The Respondents each participated and offered the above-mentioned services with full knowledge they lacked the required licenses from the OCFR to comply with MMTA, MDMSA, and MCSBA. While the OCFR does not require a license to provide mortgage assistance relief services, the Agency further finds the Respondents engaged in prohibited conduct as identified by MARS and 12 CFR § 1015.3. The Agency finds the Respondents provided nonsensical documentation and agreements to support the ultimate intent to collect money from unsuspecting consumers. The promises to save consumers money were fictitious and the debt management services failed to comply with applicable law. Due to the unfair trade practices, the Respondents deprived the consumers of applicable protections such as a surety bond to seek refund or compensation for lose money. Due to the lack of information and honesty by the Respondents, the consumers could not avoid financial injury, foreclosure, defaults, and decreased credit scores.

Abusive Trade Practices

The Agency finds the Respondents engaged in abusive trade practices because they misled consumers into paying for bogus services as the Respondents provided fictitious documents containing blatant lies about debt dissolution, debt savings, and the length of the program. In addition, the Respondents failed to provide consumers with executed documentation or competent education to explain the program. The Respondents collected upfront fees and monthly payments, not to pay toward the consumers' debts but to use for personal purposes. This practice abused the consumers, as they lacked knowledge of the accounts in default causing

repossessions and foreclosures. The repossessions and foreclosures occurred without the knowledge of the consumers, as they believed the Respondents paid the bills as agreed. The Respondents further provided frivolous legal documentation and legal advice to unsuspecting consumers who relied on the Respondents for financial assistance. Because the Respondents required the consumers to cease all communication with creditors, the consumers relied on the Respondents to their detriment.

Because the Agency finds violations of the above-mentioned statutes, each Respondent is personally liable, jointly and severally, as they worked together to mislead consumers. Respondent Bailey as the sole owner of Signature Accounting used her business letterhead and website, and shared a business address with Respondent Wittenberg to make misrepresentations to consumers. Along with Respondent Bailey, Respondent Wittenberg also operated as an agent of the Wittenberg Family Trust using the shared mailing address with Respondent Bailey to accept payments. Together and separately, the Respondents collected money from the consumers and also shared proceeds between each other.

For the reasons outlined above, the Agency finds Respondent Bailey and Respondent Wittenberg offered and sold mortgage assistance relief services, credit services, debt management services, and money transmission services without proper licensure in violation of MCSBA MMTA, and MDMSA. While the OCFR does not require a license to provide mortgage assistance relief services, the Agency further finds the Respondents engaged in prohibited conducted as identified by MARS and 12 CFR § 1015.3. Because the Agency finds violations of MARS, MCSBA, MMTA, and MDMSA the Agency finds the Respondents also violated the CPA by engaging in the unfair trade practices, deceptive trade practices, and abusive trade practices.

CONCLUSIONS OF LAW

Based upon the above Findings of Fact and Discussion, the Agency makes the following Conclusions of Law:

Maryland Mortgage Assistance Relief

1. The Respondents offered and sold mortgage assistance relief services within the scope of MARS. Real Prop. § 7-502 (2015 & Supp. 2021) and 12 CFR § 1015.2 (2022).
2. The Respondents violated MARS by requiring consumers to cease and decess communication with creditors in connection with the performance of the promised mortgage assistance relief services. Real Prop. § 7-502 (2015 & Supp. 2021) and 12 CFR § 1015.3(a) (2022).
3. The Respondents violated MARS by misrepresenting material details of the mortgage relief assistance services offered. Real Prop. § 7-502 (2015 & Supp. 2021) and 12 CFR § 1015.3(b) (2022).
4. The Respondents violated MARS by misrepresenting the benefits of the debt dissolution program. Real Prop. § 7-502 (2015 & Supp. 2021) and 12 CFR § 1015.3(c) (2022).
5. The Respondents violated MARS by collecting advance payments before consumers signed a written agreement with the mortgage lender or servicer. Real Prop. § 7-502 (2015 & Supp. 2021) and 12 CFR § 1015.5(a) (2022).
6. The Respondents violated MARS by misrepresenting to consumers that the Respondents would provide legal representation. Real Prop. § 7-502 (2015 & Supp. 2021) and 12 CFR § 1015.3(b)(8) (2022).

7. The Respondents violated MARS by failing to provide required disclosures regarding consumer rights and other required disclosures. Real Prop. § 7-502 (2015 & Supp. 2021) and 12 CFR § 1015.4 (2022).
8. The MARS violations committed by the Respondents are unfair trade practices, deceptive trade practices, and abusive trade practices under the CPA. Com. Law § 13-303 (2013 & Supp. 2021) and Real Prop. § 7-510 (2015 & Supp. 2021).

Maryland Credit Services Business Act

9. The Respondents offered and sold credit services within the scope of MCSBA. Com. Law § 14-1901(e) (2013 & Supp. 2021).
10. The Respondents violated MCSBA by offering and selling credit services in exchange for upfront payments and monthly payments, before completion of the services, and without a license from the Office of the Commissioner of Financial Regulation. Com. Law § 14-1902(1), (6) (2013 & Supp. 2021).
11. The Respondents violate MCSBA by offering and selling credit services without having a surety bond. Com. Law § 14-1908 (2013 & Supp. 2021).
12. The Respondents violated MCSBA by failing to provide consumers with consumers rights, notice of cancellation provision, and other required information. Com. Law. §§ 14-1905 and 14-1906 (2013 & Supp. 2021).
13. The Respondents violated MCSBA by making false and misleading representations when they offered and sold credit services. Com. Law § 14-1902(4) (2013 & Supp. 2021).
14. The MCSBA violations committed by the Respondents are unfair trade practices, deceptive trade practices, and abusive trade practices under the CPA. Com. Law

§ 13-303 and § 14-1914 (2013 & Supp. 2021).

15. Respondents violated the MCSBA, Com. Law §14-1902(5) by engaging, directly and indirectly, in acts, practices, and a course of business which operate as a fraud or deception on consumers in connection with the offer or sale of credit services.
16. Respondents violated the MCSBA, Com. Law §14-1903(b) by operating a credit services business without a license.
17. Respondents violated the MCSBA, Com. Law §14-1904(b) by receiving money from consumers and executing contracts with consumers prior to providing consumers with a written information statement containing the information required by Com. Law § 14-1905.

Deceptive Trade Practices:

18. The Respondents violated the CPA by making false or misleading oral or written statements or other representations that have the capacity, tendency or effect of deceiving or misleading consumers and constitute deceptive trade practices identified in sections 13-301(1) and 13-303 of the Commercial Law Article by:
 - a. Representing, indicating, or implying that they will perform mortgage assistance relief services, money transmission services, and debt management services for consumers when, in fact, Respondents failed to provide such services;
 - b. Representing that their services would reduce the consumers' debts and save consumers money, when in fact, the Respondents failed to reduce debts and save money and instead the Respondents failed to make payments as agreed;
 - c. Representing that they would reduce the consumers' debts in a matter of

years, when in fact, the Respondents failed to reduce debts within the promised time period because the Respondents failed to make payments as agreed;

- d. Implicitly or explicitly representing to consumers that they can lawfully provide credit services, money transmission services, and debt management services to consumers, when in fact, the Respondents cannot legally offer, sell, or provide those services as the Respondents do not hold, and have never held, the licenses required by the MCSBA, the MMTA, or the MDMSA to provide the services;
- e. Representing, indicating, or implying that they can collect advance payments from consumers in connection with the offer or sale of mortgage assistance relief services, credit services, money transmission services, and debt management services, when in fact, the collection of advance payments is prohibited by MARS, the MCSBA, and the MDMSA unless and until the specified conditions are met; and
- f. Expressly and impliedly misrepresenting to consumers that the upfront fees and monthly payments were being used to pay down debts, when in fact the Respondents only paid \$60,974.35 to creditors of the \$813,914.01 collected;
- g. Expressly and impliedly misrepresenting to consumers who inquire about or challenge the Respondents' actions leading to the filing of foreclosure actions and car repossessions that such setbacks are normal and to be expected in the course of mortgage assistance relief services, credit services, money transmission services, and debt management services, and that consumers

should continue making their monthly payments to Respondents.

19. The Respondents engaged in deceptive trade practices prohibited by section 13-303 of the Commercial Law Article, as defined in section 13-301(2)(ii) of the Commercial Law Article by making representations that they have sponsorship, approval, status, affiliation, or connection, which they do not have by (a) misrepresenting the Respondent Wittenberg's wealth and education and Respondent Bailey's accounting license, and (b) impliedly representing that the Respondents were licensed under the MCSBA, the MMTA, and the MDMSA and could lawfully provide credit services, money transmission services, and debt management services to consumers, when in fact, the Respondents have never been licensed as required by the MCSBA, the MMTA, and the MDMSA.
20. The Respondents engaged in deceptive trade practices prohibited by section 13-303 of the Commercial Law Article, as defined in section 13-301(3) of the Commercial Law Article, by failing to state material facts that deceived or tended to deceive Maryland consumers by:
 - a. Failing to disclose that Respondent Bailey lacked a license in accounting from the Maryland Board of Public Accountancy;
 - b. Failing to disclose that they were unwilling and/or unable to provide mortgage assistance relief services, credit services, money transmission services, and debt management services;
 - c. Failing to disclose that they were not licensed as required by the MCSBA, the MMTA, and the MDMSA, and therefore, could not lawfully provide services to consumers;

- d. Failing to hold a surety bond and failing to disclose they did not hold a surety bond;
 - e. Failing to disclose to consumers that they did not forward consumers' money to the creditors as promised, resulting in consumers unknowingly defaulting on loans, experiencing foreclosure, and vehicle repossession;
 - f. Failing to provide consumers with required disclosures and notices, including statements regarding consumer rights, as required by MARS, the MCSBA, and the MDMSA; and
 - g. Failing to disclose that the Respondents did not employ attorneys and therefore could not provide legal services.
21. The Respondents engaged in deceptive trade practices as prohibited by section 13-303 of the Commercial Law Article, as defined in section 13-301(9)(i) of the Commercial Law Article, by making misrepresentations and omissions of material fact concerning the provision of the promised services, with the intent that consumers rely on the same, in connection with the promotion or sale of consumer services.
22. The Respondents' statutory violations of MARS constitute unfair or deceptive trade practices prohibited by section 13-303 of the Commercial Law Article and pursuant to section 7-510(1) of the Real Property Article.
23. The Respondents' statutory violations of MCSBA constitute unfair and deceptive trade practices prohibited by section 13-303 of the Commercial Law Article and pursuant to section 14-1914(a) of the Commercial Law Article.

Unfair Trade Practices

24. The Respondents engaged in unfair trade practices prohibited by section 13-303 of the Commercial Law Article by offering or selling mortgage assistance relief services, credit services, money transmissions services and debt management services to consumers.
25. The Respondents' illegal offer or sale of mortgage assistance relief services, credit services, money transmission services, and debt management services and failure to perform the offered services substantially harmed consumers, who relied on the Respondents to consolidate their debts, when instead the Respondents took payments and converted payments to their own personal use, and as a result consumers lost their vehicles, homes, and sustained decreases in credit scores.
26. The Respondents' failure to comply with the requirements of MARS, the MMTA, the MDMSA, and the MCSBA further harmed consumers by depriving them of the protections put in place by the Maryland General Assembly to shield consumers from financial injury.
27. The consumers could not reasonably avoid being injured by the Respondents' unfair trade practices because they had no way of knowing that Respondents were unwilling and unable to provide the services they offer and sell, would not pay their creditors, and would not comply with Maryland law.
28. The Respondents' collection of payments from consumers to purportedly assist them in paying off debts and then wrongfully using such payments for their own personal use, and their illegal offer and sale of mortgage assistance relief

services, credit services, money transmission services, and debt management services is conduct that is not outweighed by any countervailing benefits to consumers or competition.

29. The Respondents' statutory violations of MARS constitute unfair trade practices prohibited by section 13-303 of the Commercial Law Article and pursuant to section 7-510(1) of the Real Property Article.
30. The Respondents statutory violations of MCSBA constitute unfair trade practices prohibited by section 13-303 of the Commercial Law Article and pursuant to section 14-1914(a) of the Commercial Law Article.

Abusive Trade Practices


31. The Respondents engaged in abusive trade practices as prohibited by section 13-303 of the Commercial Law Article.
32. The Respondents materially interfered with the ability of the consumers to understand the terms and conditions of the consumer financial services the Respondents purportedly offered by the Respondents' barrage of misrepresentations including, but not limited to, blatant lies about the efficacy of the program, fabricated calculations to demonstrate alleged program savings, false press releases and lies about their backgrounds and status; providing incomprehensible documents; collecting consumer money under the guise of saving money without performing any service of value whatsoever; and claiming car repossessions and foreclosure actions are a normal and expected part of the program and are not events that should concern the consumers.

33. The Respondents took unreasonable advantage of the consumers' lack of understanding regarding the financial services they offer and sell by:
- a. Among other things, providing incomprehensible documents purportedly outlining the terms and conditions of the program and by manipulating consumers who question the Respondents' practices;
 - b. Preventing consumers from protecting their own interests given the Respondents deceptions regarding the financial services they offer and sell and their interference with consumers' communications with their creditors; and
 - c. Encouraging consumers to reasonably rely on the Respondents to act in the consumers interest based on the Respondents' blatant misrepresentations described above.
34. Each time the Respondents received a payment from a consumer, the Respondents engaged in unfair, deceptive, trade practices in violation of the CPA. In total, the Respondents received \$813,914.01 in payments from consumers, over the course of 114 transactions.
35. The Respondents engaged in unfair, deceptive, and abusive trade practices during their activities from January 2018 through May 2021.

36. Respondents Marcia Bailey, Marcia L. Bailey, Inc. T/A Signature Accounting, Arthur Wittenberg, and the Wittenberg Family Trust are, direct participants in the acts and therefore are jointly and severally liable for the unfair, deceptive, and abusive trade practices.

COSUMER PROTECTION DIVISION
OFFICE OF THE ATTORNEY GENERAL

Date: August 15, 2022

By: 
Steven M. Sakamoto-Wengel
Consumer Protection Counsel for Regulation,
Legislation and Policy and Chief's Designee

APPENDIX: FILE EXHIBIT LIST

The following exhibits were admitted on behalf of the Consumer Protection Division:

Exhibit No.	Description
1	Affidavit of Service (Statement of Charges)
2	6.11.2021 CPD v. Marcia Bailey, et al., In the Cir. Ct. for Balto. Co., Case No. C-03-CV-21-001555: Preliminary Injunction Hearing Transcript
3	6.11.2021 Order Granting Preliminary Injunction
4	State v. Arthur Wittenberg Cir. Ct. Mo. Co., Case No. 121842-C Certified Records
5	Bellman - Resume
6	Bellman - Affidavit
7	Anderson - Affidavit with Attached Exhibits
8	Anderson - 10.24.2018 to 1.18.2019 Emails
9	Anderson - 1.7.2019 Letter of Intent; Detail Sheet; Wire Instructions; and 1.17.2019 Email (executed signature page attached)
10	Anderson - 1.24.2019 Agreement to Dissolve Debt
11	Anderson - 1.24.2019 Program Documents
12	Anderson - 1.16.2019 Letters to Creditors Re: Intent to Transfer Title to Wittenberg Family Trust
13	Anderson - 2.14.2019 Email Re: Mailing Cease and Desist Letters to Creditors
14	Anderson - 1.17.2019 Signature Accounting One Time Payment Authorization Form: Visa \$25,197.40
15	Anderson - 2.21.2019 NFCU Check No. 100000 Anderson to Bailey \$13,500
16	Anderson - 3.4.2019 USAA Check No. 55001 Anderson to Bailey \$2074.61
17	Anderson - 4.25.2019 to 8.28.2019 Creditor Default Letters
18	Anderson - 2.6.2019 to 1.7.2020 Emails (accounts status)

19	Anderson - 4.1.2019 to 1.22.2020 Text Messages (accounts status)
20	Anderson - 8.12.2019 to 10.8.2019 Emails (vehicle repossession)
21	Anderson - 8.8.2019 Email (draft pleadings for NFCU lawsuit)
22	Anderson - 8.8.2019 Email (instructions to file NFCU lawsuit)
23	Anderson - 8.9.2019 to 8.28.2019 Emails (docket updates)
24	Anderson - 8.28.2019 Email (acknowledging docket update)
25	Anderson - 9.11.2019 Email (court order to file amended complaint)
26	Anderson - 9.11.2019 Email (NFCU Notice of Appearance/Motion to Dismiss)
27	Anderson - 10.3.2019 Email (responses to Motion to Dismiss)
28	Anderson - 10.10.2019 to 10.21.2019 Emails (case management)
29	Anderson - 10.30.2019 Email (credit bureau letters, status of lawsuit)
30	Anderson - 11.22.2019 Email (lawsuit dismissal order)
31	Anderson - 12.4.2019 to 12.21.2019 Emails (Notice of Appeal/receipt from NFCU counsel)
32	Anderson - 12.21.2019 to 1.16.2020 Emails (Status of Appeal)
33	Anderson - 12.27.2019 Email (discussion points)
34	Anderson - 12.4.2019 to 1.23.2020 Text Messages (car)
35	Anderson - 1.21.2020 Email (car shipping refund)
36	Anderson - 9.6.2019 Lakeview Loan Servicing v. Anderson foreclosure complaint
37	Anderson - 8.28.2019 to 1.21.2020 Emails (Answer for foreclosure action)
38	Anderson - 1.13.2020 to 1.16.2020 Emails (foreclosure action)
39	Anderson - 4.3.2020 Third Party Complaint (foreclosure action)
40	Anderson - 1.7.2020 Email (wire instructions to Wittenberg Family Trust)
41	Anderson – Tenders

42	Ijeh - 4.6.2019 Solicitation Letter
43	Ijeh - Docket Sheet - Debtor: Redeemed Christian Church of God, River of Life, In the U.S. Bankruptcy Court District of Maryland, Case No. 20-11902 filed 2.13.2020
44	Ijeh - 3.25.2020 Agreement to Transfer Property and Dissolve Debt
45	Ijeh - 6.2.2020 Mutual Settlement Agreement and Release of Claims
46	Ijeh - 6.1.2020 Program Documents
47	Ijeh - 6.11.2020 Deed of Trust
48	Ijeh - 6.11.2020 Promissory Note between River of Life Trust and Wittenberg Family Trust
49	Ijeh - 5.16.2020 to 9.17.2020 Wittenberg Family Trust Letters
50	Ijeh - Payments by Redeemed Christian Church of God, River of Life to Wittenberg Family Trust/Tenders Issued by Wittenberg Family Trust To Foundation Capital Resource
51	Ijeh - Docket Sheet <i>Arthur of the family Wittenberg v. Foundation Capital Resource, Inc.</i> , In the Cir. Ct. for PG Co., Case No. CAE20-20012
52	Ijeh - <i>Arthur of the family Wittenberg v. Foundation Capital Resource, Inc.</i> , In the Cir. Ct. for PG Co., Case No. CAE20-20012, Motion to Set Aside Default Judgment filed 9.21.2020
53	Ijeh - Docket Sheet for Debtor: The Redeemed Christian Church of God, River of Life Maryland, In the U.S. Bankruptcy Court District of Maryland, Case No. 21-14554 filed 7.9.2021
54	Ijeh - Affidavit of David Ijeh
55	Ijeh - 12.2.2021 Bankruptcy Court Order
56	Njai - MVA Registration Certificate
57	Njai - 8.14.2019 to 9.13.2019 NFCU Statement
58	Njai - 9.5.2019 Agreement to Dissolve Debt
59	Njai - 10.5.2019 Program Documents
60	Njai - 10.5.2019 Letter to NFCU

61	Njai - 11.21.2019 Letter from NFCU, Receipt, and Stamps
62	Njai - 11.26.2019 Email (program withdrawal)
63	Anania - 1.16.2018 Offer: Agreement to Dissolve Debt and Transfer Parkway Family Eye Clinic
64	Anania - 1.16.2018 Program Documents
65	Anania - 1.16.2018 Authorizations To Release Loan Information/POA (personal debts)
66	Anania - 1.16.2018 Bill of Sale (cars)
67	Anania - 1.16.2018 Authorizations To Release Loan Information/POA (business debts)
68	Anania - 3.15.2018 Chase Bank Payoff Statement (Honda)
69	Anania - 3.2018 to 2.2019 Checks to Chase Automotive Finance (Honda)
70	Anania - 8.8.2018 Brandbank Email
71	Anania - 9.12.2018 to 3.21.2019 Vision One Emails
72	Anania - 12.28.2018 to 4.29.2019 Renasant Bank Emails
73	Anania - 2.18.2019 Nelnet Email
74	Anania - 3.21.2019 Email (Trust Account)
75	Anania - Tenders
76	Anania - 4.23.2019 to 6.25.2019 Creditor Default Letters
77	Anania - 7.1.2019 Email (summons docs)
78	Anania - 7.9.2019 Email (abatement attached)
79	Anania - 7.25.2019 Email (abatement for Vision One) with First Amendment Petition for Abatement attached
80	Anania - 7.30.2019 Email (Renasant Bank/New Correspondence from Wittenberg) with rejected Tenders attached
81	Anania - 8.25.21 Letter from Great Lakes Bank (student loan) with attachments

82	Anania - Complaint Douglas A. Anania, et al. v. Arthur Wittenberg and Marcia Bailey, In the Superior Court of DeKalb County, GA, Civil Action No. 20CV4650
83	Hernandez - Affidavit with attachments
84	Hernandez - 10.11.2018 Letter of Intent (909 Benson Terrace Trust)
85	Hernandez - 10.15.2018 Letter of Intent (11902 Molly Pitcher Circle Trust)
86	Hernandez - 11.1.2018 Recission Letter-Liquidation of Debt R1
87	Hernandez - 5.2019 Private Banking Debt Liquidation Program Term Sheet and Wire Transfer Instructions
88	Hernandez - 5.2019 Loan Statements
89	Hernandez - 5.30.2019 Agreement to Dissolve Debt with Addendum
90	Hernandez - 6.3.2019 Program Documents (909 Benson Terrace Trust)
91	Hernandez - 6.3.2019 Program Documents (11902 Molly Pitcher Circle Trust)
92	Hernandez - 6.5.2019 Letters to Creditors (payoff statement request)
93	Hernandez - 6.10.2019 Letters to Creditors (cease and desist)
94	Hernandez - 6.15.2019 Second Letter Creditors-Payoff Statements
95	Hernandez - 7.2.2019 Check 151 to Signature Accounting; Bank of America Recurring Billing Statement
96	Hernandez - 7.11.2019 to 11.6.2019 Creditor Default Letters
97	Hernandez - Tenders
98	Hernandez - 11.26.2019 Check 179 to Arthur Wittenberg For: Bill In Equity
99	Hernandez - Wittenberg Family Trust v. Mr. Cooper US District Court Complaint
100	Hernandez - Texts (lawsuit)
101	Hernandez - Minnesota Certificate of Existence and Registration, Certificate of Assumed Name
102	Hernandez - Hernandez v. Arthur Wittenberg & Marcia Bailey, In the Cir. Ct. for

	Mo. Co., Case No. V482279 Complaint and Judgment
103	Hernandez - Praecept to Set Hearing on Voluntary Non-Suit, In the Cir. Ct. for PW Co., VA, Case No. CL20-815
104	Schafer - 3.29.2021 Screen Shot Marcia Bailey Linked-In Page
105	Schafer - 1.23.2020 Video Signature Accounting Website with WFT solicitation (on CD)
106	Schafer - Signature Accounting Website Screen Shots
107	Schafer - Marcia Bailey Inc. Articles of Incorporation, Resolution, Trade Name
108	Schafer - Marcia Bailey Department of Treasury Tax Preparer Identification Number Documents
109	Schafer - Affidavit of Christopher Dorsey, Director of Maryland Board of Public Accountancy
110	Schafer – Bullock Documents
111	Schafer - 4.6.2019 Solicitation Letter from Marcia Bailey to Mr. and Mrs. Paul Manafort
112	Schafer - 3.29.2021 Screen Shot Arthur Wittenberg Linked-In Page/Home Magic Decorating Website
113	Schafer - 7.29.2021 Arthur Wittenberg Parole and Probation Certificate/Order
114	Schafer - 8.18.2021 Arthur Wittenberg MVA Certified Driving Record Information
115	Schafer - Affidavit of Dr. Paul Gregoire, Registrar and Dean, New Orleans Baptist Theological Seminary
116	Schafer - 7.8.2021 Letter from Michele Williams, Interim Registrar, Wittenberg University with website screen shots attached
117	Schafer - Screen Shot 41NBC-WMGT Georgia Local News Story 7.19.2019 “Foundation seeks Georgia families to help avoid foreclosures”
118	Schafer - Screen Shot WWAY TV News Story 2.20.2018 “Accounting Firm says client wants to buy Carolina Panthers”
119	Schafer - Wittenberg Family Trust Formation Document/Amendment
120	Schafer - Irvin and Patricia Betch Documents

121	Schafer - Irvin and Patricia Betch Replevin Hearing: (A) Certificate of Authenticity; (B) Recording (on CD)
122	Schafer - William Franklin and Iesha Fields Documents
123	Schafer - Eugene Harris Documents
124	Schafer - Brian Hockaday Documents
125	Schafer - Gerard P. McGovern Documents
126	Schafer - Shunta Sims Documents
127	Schafer - Clint Walker Documents
128	Schafer - Respondents Bank Records - Color Coded
129	Schafer - Consumer Payments Summary
130	Schafer - Signature Accounting and Wittenberg Family Trust Payment Summary
131	Schafer - 7.29.2019 to 1.8.202 Emails between Marcia Bailey and Arthur Wittenberg