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PRESS RELEASE

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Debt Consolidation Services Providers Ordered to Pay More Than \$2 Million in Penalties and Restitution

Marcia L. Bailey and Arthur Wittenberg Sold Services to Consumers; Used Money for Personal Benefit

BALTIMORE, MD (August 22, 2022) – Maryland Attorney General Brian E. Frosh announced today that his Consumer Protection Division has issued a [Final Order](#) against Marcia L. Bailey and Arthur Wittenberg along with their entities, Marcia Bailey Inc. trading as Signature Accounting and the Wittenberg Family Trust, for violating the Consumer Protection Act when they collected hundreds of thousands of dollars from consumers to help them consolidate and pay off outstanding consumer debt, but did not provide the promised services.

From their offices in Baltimore, Bailey and Wittenberg preyed on victims who resided in Maryland and other states. In June 2021, Attorney General Frosh obtained a preliminary injunction in the Circuit Court for Baltimore County barring Bailey, Wittenberg, and their entities from offering or selling debt consolidation services from Maryland. The Final Order issued this week by the Consumer Protection Division provides a permanent injunction that prohibits Bailey, Wittenberg, and their entities from further harming consumers, as well as an order requiring them to pay a \$1,246,000 penalty and to return all the monies they collected from consumers who did not receive promised services. In combination, it is expected that the total payments will exceed \$2 million.

“Marcia Bailey and Arthur Wittenberg deceived and defrauded consumers with promises that The Wittenberg Family Trust’s ‘Private Banking Debt Liquidation Program’ would ultimately save consumers hundreds of thousands of dollars, pay off consumers’ outstanding debts in a shorter timeframe than the original loan terms, and improve consumers’ credit scores,” said Attorney General Frosh. “Instead, they took the money for themselves while consumers had their cars repossessed and their houses threatened with foreclosure.”

Bailey, Wittenberg, and their entities charged consumers upfront fees between \$11,000 and \$118,000 for services, followed by charging additional amounts that were supposed to be used to pay off consumers’ outstanding debts. Rather than provide the services consumers purchased, Bailey and Wittenberg wrongfully converted most of the consumers’ payments for their own

personal uses. The Division found that the eight consumers who testified at the hearing were owed at least \$772,939 for payments made to Bailey, Wittenberg, and their entities for services that were not provided. Rather than help consumers consolidate and eliminate debt, Bailey and Wittenberg helped only themselves.

In Maryland, persons who provide certain types of debt consolidation services are required to be licensed by the Office of the Commissioner of Financial Regulation in the Maryland Department of Labor. Before entering into contracts for such services, consumers should verify a provider's licensing status at <https://www.dllr.state.md.us/finance/industry/licsearch.shtml>. Additionally, persons who provide mortgage assistance relief services, credit services, money transmission services, and debt management services are generally prohibited from collecting upfront fees from consumers and, in addition to other requirements, must obtain a surety bond and provide consumers with specified disclosures, notices, and other information regarding consumers' rights.

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

<https://www.marylandattorneygeneral.gov/press/2022/082222.pdf>