



# CONNECTICUT DEPARTMENT OF BANKING

Home About Us Programs & Services Forms Contact Us



Howard F. Pitkin  
Commissioner

Verify a License  
Find a Bank  
Find a Credit Union  
Legal Resources  
Enforcement  
Newsroom  
Alerts  
Helpful Links

News Bulletin

Securities Bulletin

Check the Calendar

Never Update by Email  
Sign-Up for E-alerts

Connecticut WEATHER

Connecticut  
and its municipalities

\*\*\*\*\*  
+  
+  
+ **TEMPORARY ORDER TO**  
+ **CEASE AND DESIST**  
+ **NOTICE OF INTENT TO ISSUE**  
+ **ORDER TO CEASE AND DESIST**  
+ **NOTICE OF INTENT TO IMPOSE**  
+ **CIVIL PENALTY**  
+ **AND**  
+ **NOTICE OF RIGHT TO HEARING**  
\*\*\*\*\*

## I. LEGAL AUTHORITY AND JURISDICTION

The Banking Commissioner ("Commissioner") is charged with the administration of Sections 36a-67a to 36a-67o, inclusive, of the Connecticut General Statutes contained in Part II of Chapter 669 of the Connecticut General Statutes, " Debt Adjusters and Debt Negotiators."

Pursuant to the authority granted by Section 36a-17(a) of the 2012 Supplement to the General Statutes, the Commissioner, through the Consumer Credit Division of the Department of Banking, has investigated the activities of Respondent to determine if it has violated, is violating or is about to violate any provision of the Connecticut General Statutes within the jurisdiction of the Commissioner.

Section 36a-17(a) of the 2012 Supplement to the General Statutes provides:

The commissioner, in the commissioner's discretion, may make such public, or private investigations or examinations within or outside the state, concerning any person subject to the jurisdiction of the commissioner, as the commissioner deems necessary to carry out the duties of the commissioner.

Section 36a-52 of the Connecticut General Statutes provides, in pertinent part, that:

(a) Whenever it appears to the commissioner that any person has violated, is violating or is about to violate any provision of the general statutes within the jurisdiction of the commissioner, . . . the commissioner may send a notice to such person by registered or certified mail, return receipt requested, or by any express delivery carrier that provides a signed delivery receipt. The notice shall be deemed received by the person on the earlier of the date of actual receipt or seven days after mailing or sending. Any such notice shall include: (1) A statement of the time, place, and nature of the hearing; (2) A statement of the legal authority and jurisdiction under which the hearing is to be held; (3) A reference to the particular sections of the general statutes . . . alleged to have been violated; (4) a short and plain statement of the matters asserted; and (5) a statement indicating that such person may file a written request for a hearing on the matters asserted within fourteen days of receipt of the notice. If a hearing is requested within the time specified in the notice, the commissioner shall hold a hearing upon the matters asserted in the notice, unless the person fails to appear at the hearing. After the hearing, the commissioner shall determine whether an order to cease and desist and deposit shall be issued against the person named in the notice. If the person does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner may, at the commissioner's sole discretion, issue an order to cease and desist against the person. No such order shall be issued except in accordance with the provisions of chapter 54.

(b) If the commissioner finds that the public welfare requires immediate action, the commissioner may require the person to cease and desist from the activity which constitutes such alleged violation and to make or refrain from taking such action as in the opinion of the commissioner will effectuate the purposes of this section. Such temporary order shall become effective on receipt and, unless set aside or modified by a court, shall remain in effect until the effective date of a permanent order or dismissal of the matters asserted in the notice.

Section 36a-56(a) of the Connecticut General Statutes provides, in pertinent part, that:

(1) Whenever the commissioner finds as the result of an investigation that any person has violated any provision of the general statutes within the jurisdiction of the commissioner, . . . the commissioner may send a notice to such person by registered or certified mail, return receipt requested, or by any express delivery carrier that provides a signed delivery receipt. The notice shall be deemed received by the person on the earlier of the date of actual receipt or seven days after mailing or sending. Any such notice shall include: (A) A statement of the time, place, and nature of the hearing; (B) a statement of the legal authority and jurisdiction under which the hearing is to be held; (C) a reference to the particular sections of the general statutes . . . alleged to have been violated; (4) a short and plain statement of the matters asserted; and (5) a statement indicating that such person may file a written request for a hearing on the matters asserted within fourteen days of receipt of the notice.

(2) If a hearing is requested within the time specified in the notice, the commissioner shall hold a hearing upon the matters asserted in the notice unless such person fails to appear at the hearing. After the hearing, if the commissioner finds that the person has violated any such provision, . . . the commissioner may, in the commissioner's discretion and in addition to any other remedy authorized by law, order that a civil penalty not exceeding one hundred thousand dollars per violation be imposed upon such person. If such person does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner may, at the commissioner's sole discretion, issue an order that a civil penalty not exceeding one hundred thousand dollars per violation be imposed upon such person.

(3) Such order undertaken by the commissioner under this subsection shall be in accordance with the provisions of chapter 54.

Section 36a-67a(c) of the 2012 Supplement to the General Statutes provides, in pertinent part, that:

Upon complaint, the Banking Commissioner may review any fees or charges assessed by a person offering debt negotiation services and order the reduction of such fees or charges or repayment of such amount of the fees or charges that the commissioner deems excessive, taking into account the fees that other persons performing similar debt negotiation services charge for such services and the benefit to the consumer of such services. . . .

## II. MATTERS ASSERTED

- Respondent is a purported California limited liability partnership with an office at 1 Spectrum Pointe, Suite 300, Lake Forest, California.
- On or about January 21, 2010, a Connecticut resident, while physically present in this state, entered into an Attorney-Client Agreement ("Agreement") with Respondent and, in connection with such Agreement, the Connecticut resident executed an Authorization to Represent in which the Connecticut resident authorized Respondent to act on such Connecticut resident's behalf to assist in negotiating, bargaining and delivering to the servicer/lender/bank/mortgage company listed therein ("Mortgage Company") such instruments, documents and agreements as such Mortgage Company may require in connection with a potential loan modification of the Mortgage Company's mortgage secured by property located in Connecticut.
- In connection with the Agreement, total payment of \$3,000 was debited by Respondent from the bank account of the Connecticut resident referred to in paragraph 2 above, which amount is in excess of amounts that debt negotiators may charge for services pursuant to the Schedule of Maximum Fees established by the Commissioner on or about October 3, 2009.
- On or about February 9, 2010, another Connecticut resident, while physically present in this state, entered into an Agreement with Respondent and, in connection with such Agreement, the Connecticut resident executed an Authorization to Represent in which the Connecticut resident authorized Respondent to act on such Connecticut resident's behalf to assist in negotiating, bargaining and delivering to the Mortgage Company such instruments, documents and agreements as such Mortgage Company may require in connection with a potential loan modification of Mortgage Company's mortgage secured by property located in Connecticut.
- In connection with the Agreement, total payment of \$2,995 was debited by Respondent from the bank account of the Connecticut resident referred to in paragraph 4 above, which amount is in excess of amounts that debt negotiators may charge for services pursuant to the Schedule of Maximum Fees established by the Commissioner on or about October 3, 2009.
- On or about October 1, 2009, the Commissioner established a Schedule of Maximum Fees, which provides, in pertinent part, that "a debt negotiator of secured debt, including Short Sales and Foreclosure Rescue Services, may impose a fee upon the mortgagor or debtor for performing debt negotiation services not to exceed five hundred dollars (\$500). Such fee shall only be collectible upon the successful completion of all services stated in the debt negotiation service contract."
- At no time relevant hereto has Respondent been licensed to engage or offer to engage in debt negotiation in this state, nor did Respondent qualify for an exemption from such license.
- On December 6, 2010, the Commissioner received complaints filed by each of the Connecticut residents concerning Respondent's failure to perform the debt negotiation services contained in the Agreement.
- As of October 30, 2011, Respondent had refunded \$750 to the Connecticut resident referred to in paragraph 2 above and \$1,500 to the Connecticut resident referred to in paragraph 4 above.

## III. STATUTORY BASES FOR ORDER TO CEASE AND DESIST AND IMPOSITION OF CIVIL PENALTY

Section 36a-67a of the Connecticut General Statutes states, in effect prior to October 1, 2011, in pertinent part, that:

(a) As used in this section and sections 36a-67b to 36a-67d, inclusive, (1) "debt negotiation" means, for or with the expectation of a fee, commission or other valuable consideration, assisting a debtor in negotiating or attempting to negotiate on behalf of a debtor the terms of a debtor's obligations with one or more mortgagees or creditors of the debtor. . . . (2) "debtor" means an individual who has incurred indebtedness whose debt is for personal, family or household purposes in a common interest community, who is also the borrower under a mortgage encumbering such residential property. . . . and (7) "residential property" means one-to-four family owner-occupied real property.

(b) No person shall engage or offer to engage in debt negotiation in this state without a license issued under this section for the location where debt negotiation will be conducted. . . . A person is engaging in debt negotiation in this state if such person . . . (2) has a place of business located outside of this state and the offer to or conduct of the debt negotiation or proceeds to the terms of the service contract in person, by mail, by telephone or via the Internet while physically present in this state; or (3) has a place of business located outside of this state and the contract concerns a debt that is secured by property located within this state.

Section 36a-67a(b) of the 2012 Supplement to the General Statutes provides, in pertinent part, that:

Whenever it appears to the commissioner that any person has violated, is violating or is about to violate the provisions of sections 36a-67a to 36a-67d, inclusive, . . . the commissioner may take action against such person . . . in accordance with sections 36a-58 and 36a-52. For purposes of sections 36a-67a to 36a-67d, inclusive, such engagement and each offer to engage in debt negotiation shall constitute a separate violation.

Section 36a-67a(b) of the Connecticut General Statutes provides, in pertinent part, that:

No person offering debt negotiation services may receive a fee, commission or other valuable consideration for the performance of any service the person offering debt negotiation services has agreed to perform for any consumer until the person offering debt negotiation services has fully performed such services. A person offering debt negotiation services may receive reasonable periodic payments as services are rendered, provided such payments are clearly stated in the contract. The commissioner may establish a schedule of maximum fees that a debt negotiator may charge for specific services.

Respondent's engaging in debt negotiation in this state without obtaining the required license, as more fully described in paragraphs 3 through 6, inclusive, of the Matters Asserted, constitutes a violation of Section 36a-67a(b) of the Connecticut General Statutes, in effect prior to October 1, 2011. Such violation forms the basis to issue an order to cease and desist pursuant to Section 36a-67a(b) of the 2012 Supplement to the General Statutes and Section 36a-52(a) of the Connecticut General Statutes, and impose a civil penalty pursuant to Section 36a-67a(b) of the 2012 Supplement to the General Statutes and Section 36a-52(a) of the Connecticut General Statutes. Section 36a-52(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

## IV. FINDING AND STATUTORY BASES FOR TEMPORARY ORDER TO CEASE AND DESIST

The Commissioner finds that public welfare requires immediate action to issue a temporary order requiring Respondent to cease and desist from violating Section 36a-67a(b) of the Connecticut General Statutes, in effect prior to October 1, 2011, and to take such action as set forth herein to effectuate the purposes of Section 36a-52(a) of the Connecticut General Statutes, in that the interests of Connecticut residents are being materially prejudiced by Respondent's receipt of \$5,995 in fees in excess of the Schedule of Maximum Fees issued by the Commissioner from at least two (2) Connecticut residents for the debt negotiation services, and that the interests of additional Connecticut residents are being materially prejudiced. The Commissioner also finds the payment of fees by the Connecticut residents to be excessive, upon consideration of the fact that the Schedule of Maximum Fees only permits a fee of \$300 to be collected upon successful completion of the debt negotiation services contract. The debt negotiation service contracts were not successfully completed and the Connecticut residents received no benefit from such contracts.

## V. TEMPORARY ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO IMPOSE CIVIL PENALTY AND NOTICE OF RIGHT TO HEARING

WHEREAS, the Commissioner has reason to believe that Respondent has engaged in acts or conduct which forms the basis to issue an order to cease and desist pursuant to Section 36a-67a(b) of the 2012 Supplement to the General Statutes and Section 36a-52(a) of the Connecticut General Statutes and impose a civil penalty pursuant to Section 36a-67a(b) of the 2012 Supplement to the General Statutes and Section 36a-52(a) of the Connecticut General Statutes;

AND WHEREAS, the Commissioner has made the finding required under Section 36a-52(b) of the Connecticut General Statutes;

THE COMMISSIONER THEREFORE ORDERS, pursuant to Section 36a-52(b) of the Connecticut General Statutes, that Law Offices of Andrea Loveless, LLP d/b/a The Law Offices of Andrea S. Loveless d/b/a America Financial Law Group, a Professional Law Corporation, immediately **CEASE AND DESIST** from violating Section 36a-67a(b) of the Connecticut General Statutes, in effect prior to October 1, 2011. This Temporary Order shall become effective upon receipt by Law Offices of Andrea Loveless, LLP d/b/a The Law Offices of Andrea S. Loveless d/b/a America Financial Law Group, a Professional Law Corporation, and, unless set aside or modified by a court, shall remain in effect until the effective date of a permanent order or dismissal of the matters asserted in this Temporary Order.

THE COMMISSIONER FURTHER ORDERS, pursuant to Sections 36a-67a(c) and 36a-62(b) of the Connecticut General Statutes, that: Not later than 15 days from receipt of this Order, Law Offices of Andrea Loveless, LLP d/b/a The Law Offices of Andrea S. Loveless d/b/a America Financial Law Group, a Professional Law Corporation shall:

- Provide repayment of the balance of the fees paid by the Connecticut residents identified in Exhibit A by cashier's check, certified check or money order; and
- Provide to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or carmine.costa@ct.gov, evidence of such repayment and a list of all Connecticut residents with whom it has entered into agreements for debt negotiation services to date whose such agreements were entered into on and after October 1, 2009. Such submission shall include: (a) A copy of each agreement pursuant to which Law Offices of Andrea Loveless, LLP d/b/a The Law Offices of Andrea S. Loveless d/b/a America Financial Law Group, a Professional Law Corporation, provided or is providing such debt negotiation services; and (b) each debtor's name and address, and full itemization of each debtor's payments made pursuant to the agreement, specifying the dates, amounts and to whom such payments were made.

WHEREAS, notice is hereby given to Respondent that the Commissioner intends to issue an order requiring Respondent to **CEASE AND DESIST** from violating Section 36a-67a(b) of the Connecticut General Statutes, in effect prior to October 1, 2011, and impose a **CIVIL PENALTY** upon Respondent as set forth herein, subject to Respondent's right to a hearing on the allegations set forth above.

A hearing will be granted to Respondent if a written request for a hearing is received by the Department of Banking, Consumer Credit Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 when hearing is (1) duly following Respondent's receipt of this Temporary Order to Cease and Desist, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing as set forth in Sections 36a-52(a) and 36a-67a(b) of the Connecticut General Statutes. This Temporary Order to Cease and Desist, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing shall be deemed received by the earlier of the date of actual receipt, or seven days after mailing or sending. The enclosed Appearance and Request for Hearing Form must be completed and mailed to the above address. If Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se." Once a written request for a hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that advises the respondent of a request for a hearing, designates a hearing officer and sets the date of the hearing in accordance with Section 4-177 of the Connecticut General Statutes and Section 36a-1.21 of the Regulations of Connecticut State Agencies. If a hearing is requested, the hearing will be held on September 13, 2012, at 10 a.m., at the Department of Banking, 260 Constitution Plaza, Hartford, Connecticut.

The hearing will be held in accordance with the provisions of Chapter 54 of the Connecticut General Statutes, unless Respondent fails to appear at the requested hearing. At such hearing, Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner.

If Respondent does not request a hearing within the time prescribed, the Commissioner will issue an order that Respondent cease and desist from violating Section 36a-67a(b) of the Connecticut General Statutes, in effect prior to October 1, 2011, issue an order of repayment of fees, and may order a civil penalty in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon Respondent.

So ended at Hartford, Connecticut, this 22nd day of July 2012.

\_\_\_\_\_/s/\_\_\_\_\_  
Howard F. Pitkin  
Banking Commissioner

## CERTIFICATION

I hereby certify that on this 22nd day of July 2012, the foregoing Temporary Order to Cease and Desist, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing was read to and signed by me at the Law Offices of Andrea Loveless, LLP d/b/a The Law Offices of Andrea S. Loveless d/b/a America Financial Law Group, a Professional Law Corporation, Attention: Andrea Loveless, Director, at 1 Spectrum Pointe, Suite 360, Lake Forest, California 92630, certified mail no. 701104700022373049, and at 114 Redwood, Suite 215, Irvine, California 92618, certified mail no. 701104700022373049, and to America Financial Law Group, a Professional Law Corporation, 1723 East Gary Avenue, Suite 111, Santa Ana, California 92705, certified mail no. 701104700022373049.

\_\_\_\_\_/s/\_\_\_\_\_  
Daniel Witt  
Proceeding Attorney

## Administrative Orders and Settlements

[Printable Version](#)

260 Constitution Plaza, Hartford, CT 06103-1800 | Phone: 860-411-7225

More of Connecticut Department of Banking, see [Web Sites](#), [Accessibility](#), [Privacy](#) | © 2012 State of Connecticut

