



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

***** *

IN THE MATTER OF: *

WJE ENTERPRISES, INC. * **TEMPORARY ORDER TO**

d/b/a FEDERAL MODIFICATION * **CEASE AND DESIST**

GROUP * **NOTICE OF INTENT TO ISSUE**

("WJE Enterprises") * **ORDER TO CEASE AND DESIST**

DISTRESSED PROPERTY * **NOTICE OF INTENT TO IMPOSE**

EXPERTS, LLC * **CIVIL PENALTY**

d/b/a FEDERAL MODIFICATION * **AND**

GROUP * **NOTICE OF RIGHT TO HEARING**

("Distressed Property") *

(Collectively, "Respondents") *

***** *

I. LEGAL AUTHORITY AND JURISDICTION

The Banking Commissioner ("Commissioner") is charged with the administration of Sections 36a-671 to 36a-671e, inclusive, of the Connecticut General Statutes contained in Part II of Chapter 669 of the Connecticut General Statutes, "Debt Adjusters and Debt Negotiation".

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 ("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 the provisions 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 this 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 dated 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 should 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 shall 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 incorporate a finding to that effect in the notice sent in accordance with subsection (a) of this section and issue a temporary order requiring the person to cease and desist from the activity which constitutes such alleged violation and to take 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-50(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 dated 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; (D) a short and plain statement of the matters asserted; (E) the maximum fee to be imposed for such violation; and (F) 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, as the facts require, order that a civil penalty not exceeding one hundred thousand dollars per violation be imposed upon such person.

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

Section 36a-671a(c) of the 2012 Supplement to the General Statutes provides, in pertinent part, that:

Upon complaint, the commissioner may review any fees or charges assessed by a person engaging or offering to engage in 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 consideration 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

- WJE Enterprises is a Michigan corporation with an office at 38950 Cherry Hill Road, Suite 300, Westland, Michigan. WJE Enterprises, Inc. has several assumed names, including Federal Modification Group, Credit Care Plus, Financial Credit Services and Eagle Nationwide Mortgage.
- Distressed Property is a Michigan limited liability company with an office at 38950 Cherry Hill Road, Suite 300, Westland Michigan. Distressed Property has several assumed names, including Federal Modification Group, Modify My Bills and Moody, Keegan, Nelson & Associates.
- From at least April through November 2010, Respondents offered to assist at least two Connecticut residents negotiate the terms of their residential mortgages secured by property located in Connecticut, which included the possibility of loan modifications or short sales.
- During such time period, at least two Connecticut residents entered into contracts with Respondents for debt negotiation services. One Connecticut resident paid \$2,500 and the other Connecticut resident paid \$1,250 to Respondents for such services. Such amounts are 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 1, 2009 ("Schedule of Maximum Fees").
- The Schedule of Maximum Fees 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 collectable upon the successful completion of all services stated in the debt negotiation service contract".
- At no time relevant hereto were Respondents licensed to engage or offer to engage in debt negotiation in this state, nor did Respondents qualify for an exemption from such licensure.
- At no time relevant hereto did Respondents perform or successfully complete negotiation of the two Connecticut residents' mortgages.
- On January 24 and November 12, 2011, the Connecticut residents, as more fully described in paragraph 4 above, filed complaints with the Commissioner against Respondents.

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

Section 36a-671 of the Connecticut General Statutes, in effect prior to October 1, 2011, provided, in pertinent part, that:

(a) As used in this section and sections 36a-671a to 36a-671d, 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 any individual who has incurred indebtedness or owes a debt for personal, family or household purposes . . . ; (4) "mortgagor" means a debtor who is an owner of residential property, including, but not limited to, a single-family unit 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 each 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 debtor is a resident of this state who negotiates or agrees to the terms of the services contract in person, by mail, by telephone or via the Internet while physically present in this state; or (3) has its 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-671a(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-671 to 36a-671e, inclusive, . . . the commissioner may take action against such person . . . in accordance with sections 36a-50 and 36a-52.

- Respondents' offering to engage in debt negotiation in this state without obtaining the required license, as more fully described in paragraphs 1 through 8, inclusive, of the Matters Asserted, constitutes a violation of Section 36a-671(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-671a(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-671a(b) of the 2012 Supplement to the General Statutes and Section 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon each Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.
- Respondents' engaging in debt negotiation in this state without obtaining the required license, as more fully described in paragraphs 1 through 8, inclusive, of the Matters Asserted, constitutes a violation of Section 36a-671(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-671a(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-671a(b) of the 2012 Supplement to the General Statutes and Section 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon each Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

IV. FINDING AND STATUTORY BASIS FOR TEMPORARY ORDER TO CEASE AND DESIST

The Commissioner finds that the public welfare requires immediate action to issue a temporary order requiring Respondents to cease and desist from violating Section 36a-671(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(b) of the Connecticut General Statutes. Specifically, the interests of Connecticut residents, who are already in debt, are being materially prejudiced, and future Connecticut debtors who may do business with Respondents require protection when Respondents may offer debt negotiation without the required license. The Commissioner also finds the payment of \$3,750 in fees by two (2) Connecticut residents to be excessive, upon consideration of the fact that such fees are in excess of amounts allowed by the Schedule of Maximum Fees and the debt negotiation services 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 ISSUE 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 Respondents have engaged in acts or conduct which forms the basis to issue an order to cease and desist pursuant to Section 36a-671a(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-671a(b) of the 2012 Supplement to the General Statutes and Section 36a-50(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 WJE Enterprises, Inc. d/b/a Federal Modification Group immediately **CEASE AND DESIST** from violating Section 36a-671(b) of the Connecticut General Statutes, in effect prior to October 1, 2011. This Temporary Order shall become effective upon receipt by WJE Enterprises, Inc. d/b/a Federal Modification Group, 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 THEREFORE ORDERS, pursuant to Section 36a-52(b) of the Connecticut General Statutes, that Distressed Property Experts, LLC d/b/a Federal Modification Group immediately **CEASE AND DESIST** from violating Section 36a-671(b) of the Connecticut General Statutes, in effect prior to October 1, 2011, and impose a **CIVIL PENALTY** upon Distressed Property Experts, LLC d/b/a Federal Modification Group, 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 Section 36a-671a(c) of the 2012 Supplement to the General Statutes and Section 36a-52(b) of the Connecticut General Statutes, that: Not later than 10 days from receipt of this Temporary Order to Cease and Desist, Notice of Intent to Issue Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing, WJE Enterprises, Inc. d/b/a Federal Modification Group and Distressed Property Experts, LLC d/b/a Federal Modification Group shall:

- Provide repayment 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 repayments and a list of all Connecticut residents with whom it has entered into agreements for debt negotiation services on and after October 1, 2009. Such submission shall include: (a) A copy of each agreement; 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.

NOW THEREFORE, notice is hereby given to WJE Enterprises, Inc. d/b/a Federal Modification Group that the Commissioner intends to issue an order requiring WJE Enterprises, Inc. d/b/a Federal Modification Group to **CEASE AND DESIST** from violating Section 36a-671(b) of the Connecticut General Statutes, in effect prior to October 1, 2011, and impose a **CIVIL PENALTY** upon WJE Enterprises, Inc. d/b/a Federal Modification Group as set forth herein, subject to WJE Enterprises, Inc. d/b/a Federal Modification Group's right to a hearing on the allegations set forth above.

FURTHER, notice is hereby given to Distressed Property Experts, LLC d/b/a Federal Modification Group that the Commissioner intends to issue an order requiring Distressed Property Experts, LLC d/b/a Federal Modification Group to **CEASE AND DESIST** from violating Section 36a-671(b) of the Connecticut General Statutes, in effect prior to October 1, 2011, and impose a **CIVIL PENALTY** upon Distressed Property Experts, LLC d/b/a Federal Modification Group as set forth herein, subject to Distressed Property Experts, LLC d/b/a Federal Modification Group's right to a hearing on the allegations set forth above.

A hearing will be granted to each 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 within fourteen (14) days following each 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-50(a) 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 on 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 any 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 acknowledges receipt 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 October 17, 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, Respondents 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 WJE Enterprises, Inc. d/b/a Federal Modification Group does not request a hearing within the time prescribed, the Commissioner will issue an order that WJE Enterprises, Inc. d/b/a Federal Modification Group cease and desist from violating Section 36a-671(b) of the Connecticut General Statutes, in effect prior to October 1, 2011, may 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 WJE Enterprises, Inc. d/b/a Federal Modification Group.

If Distressed Property Experts, LLC d/b/a Federal Modification Group does not request a hearing within the time prescribed, the Commissioner will issue an order that Distressed Property Experts, LLC d/b/a Federal Modification Group cease and desist from violating Section 36a-671(b) of the Connecticut General Statutes, in effect prior to October 1, 2011, may 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 Distressed Property Experts, LLC d/b/a Federal Modification Group.

So ordered at Hartford, Connecticut this 21st of August 2012.

_____/s/_____
Howard F. Pitkin
Banking Commissioner

CERTIFICATION

I hereby certify that on this 22nd day of August 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 sent by registered mail, return receipt requested, to WJE Enterprises, Inc. d/b/a Federal Modification Group, 38950 Cherry Hill Road, Suite 300, Westland, Michigan 48185, certified mail no. 7011047000225730331; to Thomas Glassman, Registered Agent for WJE Enterprises, Inc. d/b/a Federal Modification Group, 38950 Cherry Hill Road, Westland, Michigan 48185, certified mail no. 7011047000225730638; and to Thomas Glassman, Registered Agent for Distressed Property Experts, LLC d/b/a Federal Modification Group, 38950 Cherry Hill Road, Westland, Michigan 48185, certified mail no. 7011047000225730645.

_____/s/_____
Stacey L. Serrano
Prosecuting Attorney

[Administrative Orders and Settlements](#)

[Printable Version](#)

