

**IN THE MATTER OF:**

**BARRON DOCUMENT PROCESSING,  
LLC, a/k/a BARRON DOCUMENT  
PROCESSING;**

**BARRON & ASSOCIATES, INC.,  
a/k/a BARRON AND ASSOCIATES  
a/k/a BARRON & ASSOCIATES, LLC,  
a/k/a BARRON AND ASSOCIATES, LLC;**

**STEVE HAMENKA, and  
LINDA BEAUCHAMP.**

**Respondents.**

**BEFORE THE MARYLAND  
COMMISSIONER OF  
FINANCIAL REGULATION**

**Case No. CFR-FY2012-103**

**FINAL ORDER TO CEASE AND DESIST**

Pursuant to Md. Code Ann., Fin. Inst. Art., § 2-115, and for the reasons stated below, Gordon M. Cooley, the Commissioner of Financial Regulation of the Department of Labor, Licensing and Regulation of the State of Maryland, issues this Final Order to Cease and Desist to Barron Document Processing, LLC, a/k/a Barron Document Processing; Barron & Associates, Inc., a/k/a Barron and Associates, a/k/a Barron & Associates, LLC, a/k/a Barron and Associates, LLC; Steve Hamenka, and Linda Beauchamp (collectively "Respondents") for violations of the Maryland Credit Services Business Act.

The Summary Order to Cease and Desist ("Summary Order") issued on March 25, 2015 is herein adopted and incorporated by reference.

**Background.**

1. As described more fully in the Summary Order, the Acting Deputy Commissioner of the Maryland Department of Labor, Licensing and Regulation, Office of the Commissioner of Financial Regulation (the "Agency") undertook an

investigation, as a result of a consumer complaint, into the credit services business activities of Barron Document Processing, LLC, a/k/a Barron Document Processing; Barron & Associates, Inc., a/k/a Barron and Associates, a/k/a Barron & Associates, LLC, a/k/a Barron and Associates, LLC; Steve Hamenka, and Linda Beauchamp (collectively "Respondents").<sup>1</sup>

2. The Agency's investigation determined that Respondent Barron Document Processing, LLC a/k/a Barron Document Processing (hereinafter "Barron Document Processing") is a business entity offering loan modification services and operating from the following address: 10624 S. Eastern Avenue, Suite #113, Henderson, Nevada 89052. The Agency's investigation further revealed that Respondent Barron & Associates, Inc. a/k/a Barron and Associates a/k/a Barron & Associates, LLC a/k/a Barron and Associates, LLC (hereinafter, "Barren & Associates") is a business entity offering loan modification services and operating from the following business address: 1801 E. Hein Avenue, Suite 100 and Suite 200, Orange, California 92865. (Barron Document Processing and Barron & Associates will collectively be referred to as the "Respondent business entities.") The Respondent business entities acted in concert, and engaged in business activities in the State of Maryland with Maryland consumers, and were not registered with the Maryland State Department of Assessments & Taxation.

3. The Agency's investigation revealed that Respondents Steve Hamenka and Linda Beauchamp (the "individual Respondents") are the owners, directors, officers,

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<sup>1</sup> Joan Del Valle was originally named as an individual Respondent in the Summary Order. Because the Commissioner was not able to effect service of process as to this individual, the charges against her are dismissed without prejudice.

managers, employees and/or agents of the Respondent business entities. These individual Respondents engaged in business activities in the State of Maryland with Maryland consumers in association with, or on behalf of, the Respondent business entities, and these individuals exercised control over the loan modification activities of the Respondent business entities.

4. The Agency's investigation revealed that, in approximately March 2010, [REDACTED] ("Consumer A"), who had a Maryland residential mortgage loan, entered into a loan modification agreement with Respondents. Consumer A paid \$2,950 in up-front fees to Respondents, in exchange for which Respondents promised to obtain a loan modification for Consumer A. The Agency's investigation determined that although Respondents collected \$2,950 in up-front fees, Respondents never obtained the promised loan modification for Consumer A. Further, Respondents failed to provide Consumer A with a full refund, which they had promised to provide.

5. The Agency's investigation also revealed that Respondents, both directly and through third-party referral agents, advertised and marketed to Maryland residents, including, but not limited to, using internet-based advertising, that Respondents could obtain loan modifications for homeowners in default or in foreclosure on their residential mortgages.

6. As a result of the Agency's investigation, Acting Deputy Commissioner Keisha Whitehall Wolfe, found reasonable grounds to believe that Respondents engaged in unlicensed credit services business activities with Maryland consumers in violation of Commercial Law Article ("CL"), Title 14, Subtitle 19, (the Maryland Credit

Services Businesses Act, hereinafter "MCSBA"), Financial Institutions Article ("FI"), Title 11, Subtitles 2 and 3, as described below.

Violations of the Maryland Credit Services Business Act.

7. Respondents' loan modification activities are subject to the MCSBA, including the MCSBA's prohibition on engaging in credit services business activities without first being licensed pursuant to CL §14-1903(b), FI § 11-302, and FI § 11-303. At no time relevant to the facts set forth herein have any of Respondents been licensed by the Commissioner under the MCSBA.

8. By representing that they could provide loan modification services to Maryland consumers, and by entering into agreements with Maryland consumers to provide loan modification services, Respondents engaged in credit services business activities without the requisite license. Respondents' unlicensed loan modification activities thus constituted violations of CL §14-1903(b), FI § 11-302, and FI § 11-303.

9. By collecting money from Maryland consumers without first obtaining the requisite license, Respondents also violated CL § 14-1902(1). Further, by collecting up-front fees prior to fully and completely performing all services on behalf of consumers, Respondents violated CL § 14-1902(6).

10. Respondents made or used false or misleading representations in their sale of services to Maryland consumers, thereby violating CL § 14-1902(4), when Respondents' advertisements and other marketing materials claimed that they would obtain beneficial loan modifications for Maryland homeowners, when in fact

Respondents never obtained such beneficial modifications for Maryland homeowners.

11. Respondents further violated the MCSBA through the following: in their loan modification advertisements, they failed to clearly and conspicuously state their license number under the MCSBA or their exemption, in violation of CL § 14-1903.1; they failed to obtain the requisite surety bonds, in violation of CL §§ 14-1908 and 14-1909; they failed to provide consumers with the requisite information statements, in violation of CL §§ 14-1904 and 14-1905; and Respondents failed to include the requisite contractual terms in their agreements with consumers as required under CL § 14-1906.

12. As the agreements between Respondents and the consumers failed to comply with the specific requirements imposed by the MCSBA (as discussed above), pursuant to CL § 14-1907(b) all such contracts between Respondents and Maryland consumers are void and unenforceable as against the public policy of State of Maryland.

13. By failing to obtain loan modifications for Maryland consumers which Respondents had agreed to provide, Respondents breached their contracts with Maryland consumers and/or breached the obligations arising under those agreements. Pursuant to CL § 14-1907(a), such breaches constitute per se violations of the MCSBA.

14. The violations of the MCSBA discussed above subject Respondents to the penalty provisions and other sanctions of the MCSBA and of FI § 2-115(b).

The Maryland Mortgage Assistance Relief Services Act.

15. The Maryland Mortgage Assistance Relief Services Act ("Maryland MARS Act," at Md. Code Ann., Real Prop. Art. § 7-501 *et seq.*) went into effect on July 1, 2013.<sup>2</sup> Pursuant to RP § 7-501(d) of the Maryland MARS Act, "mortgage assistance relief service" has the meaning stated in 12 C.F.R. § 1015.2 and any subsequent revision of that federal regulation. Further, pursuant to RP § 7-501(e), "mortgage assistance relief service provider" has the meaning stated in 12 C.F.R. § 1015.2 and any subsequent revision of that regulation, and that definition incorporates the meanings of other terms stated in 12 C.F.R. § 1015.2 to the extent those terms are used to establish the meaning of "mortgage assistance relief service provider."

16. The loan modification activities of Respondents constitute "mortgage assistance relief services" under 12 C.F.R. § 1015.2, and the Respondents satisfy the definition of "mortgage assistance relief service providers" under 12 C.F.R. § 1015.2. As such, pursuant to RP §§ 7-501 and 7-502, Respondents and their loan modification activities are currently subject to the Maryland MARS Act, including the investigative and enforcement authority of the Commissioner set forth in RP § 7-506.

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<sup>2</sup> At the time of the alleged violation, in March 2010, the Credit Services Business Act applied to mortgage assistance relief services, which includes, *inter alia*, negotiating a modification of any term of a mortgage or loan on a dwelling. Effective July 1, 2013, the definition of "credit services business" under the Credit Services Business Act was amended to exclude "a mortgage assistance relief service provider regulated under Title 7, Subtitle 5 of the Real Property Article." See 2013 Md. Laws Ch. 247 and CL § 14-1901(e)(3)(x); see also Md. Code Ann., Real Prop. Art., § 7-501 *et seq.* (Maryland Mortgage Assistance Relief Services Act). The 2013 amendment further provided: "This Act is not intended, and may not be construed, to have any effect on the authority of the Commissioner of Financial Regulation to regulate mortgage assistance relief service providers under Title 14, Subtitle 19 of the Commercial Law Article, or on any enforcement actions, including litigation, taken under that authority as it existed and based on actions that occurred before the effective date of this Act [July 1, 2013]." 2013 Md. Laws Ch. 247.

The Summary Order.

17. The Acting Deputy Commissioner issued the Summary Order against the Respondents on March 25, 2015, after determining that the Respondents were engaged in credit services business activities; that Respondents were in violation of the aforementioned provisions of Maryland law, and that it was in the public interest that Respondents immediately cease and desist from engaging in credit services business activities with Maryland consumers.

18. The Summary Order notified Respondents of, among other things, the following: 1) Respondents were entitled to hearing before the Commissioner of Financial Regulation to determine whether the Summary Order should be vacated, modified, or entered as a final order of the Commissioner; 2) the Summary Order would be entered as a final order if the Respondents did not request a hearing within 15 days of the receipt of the Summary Order; and 3) as a result of a hearing or of Respondents' failure to request a hearing the Commissioner may, in his discretion and in addition to taking any other action allowed by law, enter an order making the Summary Order final, issue penalty orders against Respondents, and issue orders requiring Respondents to pay refunds and other monetary awards to Maryland consumers, as well as take other action related to Respondents' business activities.

19. The Summary Order was properly served on Respondents via first class mail and Certified U.S. Mail.<sup>3</sup>

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<sup>3</sup> See note 1, *supra*.

20. Individual Respondents Steve Hamenka and Linda Beauchamp, by affidavit dated April 23, 2105, communicated that Respondent Barron went out of business on January 31, 2011. Respondents Hamenka and Beauchamp claimed that the only Maryland resident that did not receive a fulfillment or loan modification was Consumer A. Respondents Hamenka and Beauchamp denied any liability to Consumer A and the State of Maryland. They further communicated that all files and records were disposed of three years after Barron went out of business.

21. Respondents failed to request a hearing in connection with the Summary Order.

**NOW, THEREFORE**, having determined that Respondents waived their right to a hearing in this matter by failing to request a hearing within the time period specified in the Summary Order, and pursuant to CL §§ 14-1907 and 14-1911 and FI § 2-115, it is by the Maryland Commissioner of Financial Regulation hereby:

**ORDERED** that the Summary Order is entered as a final order of the Commissioner;

**FURTHER ORDERED** that the Respondents shall permanently **CEASE and DESIST** from engaging in any further credit services business activities with Maryland consumers; that Respondents shall permanently **CEASE and DESIST** from engaging in any further mortgage assistance relief services with Maryland consumers; and that Respondents shall permanently **CEASE and DESIST** from further violation of the Maryland laws identified herein;

**FURTHER ORDERED** that all provisions of this Final Order shall also apply to all named and unnamed partners, employees, and/or agents of Respondents;

**FURTHER ORDERED** that, pursuant to FI § 2-115(b) and upon consideration of the factors enumerated in FI § 2-115(c), Respondents shall pay to the Commissioner a total civil money penalty in the amount of Seven Thousand Dollars (\$7,000.00).

That civil money penalty is calculated as follows:

<b>Prohibited Activity and Violation</b>	<b>Penalty per Violation</b>	<b>Number of Violations</b>	<b>Penalty</b>
Unlicensed Activity in Violation of CL §§14-1902(1) and 14-1903 and FI §§11-302 and 11-303	\$1,000.00	1	\$1,000.00
Violation of CL §14-1902 and RP § 7-307(2) (collecting up-front fees prior to fully and completely performing all services)	\$1,000.00	1	\$1,000.00
Violation of CL §14-1908 and 14-1909 (failing to obtain requisite surety bonds)	\$1,000.00	1	\$1,000.00
Violations of CL §§14-1904 and 14-1905 (failing to provide requisite information statements)	\$1,000.00	1	\$1,000.00
Violations of CL §§14-1906 (failing to include requisite contractual terms in agreements with consumers)	\$1,000.00	1	\$1,000.00
Violation of CL §14-1902(4) (making or using false or misleading representations in the sale of services to Maryland consumers)	\$1,000.00	1	\$1,000.00
Violation of CL §14-1907 (breached contract with consumer by not obtaining loan modification)	\$1,000.00	1	\$1,000.00
Total		7	\$7,000.00

**FURTHER ORDERED** that Respondents shall pay the Commissioner, by cashier's check or certified check made payable to the "Commissioner of Financial

Regulation," the amount of Seven Thousand Dollars (\$7,000.00) within twenty (20) days from the date of this Final Order;

**FURTHER ORDERED** that, because Respondents are in violation of the Maryland Credit Services Business Act, any and all loan modification services agreements made by Respondents with Maryland consumers are void and unenforceable pursuant to CL § 14-1907;

**FURTHER ORDERED** that, pursuant to FI § 2-115(b), Respondents shall pay Consumer A the monetary award of Two Thousand Nine Hundred Fifty Dollars (\$2,950.00);

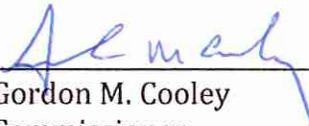
**FURTHER ORDERED** that Respondents shall be and hereby are jointly and severally liable for the payment of penalties and monetary awards under this Final Order;

**FURTHER ORDERED** that Respondents shall pay the required monetary award to the consumer herein within thirty (30) days of the date of this Final Order. Respondents shall make payment by mailing to the consumer a check in the amount specified above via First Class Mail, postage prepaid, at the most recent address of the consumer known to the Respondents. If mailing is returned as nondeliverable, Respondents shall promptly notify the Commissioner in writing for further instruction as to the means of making said payment. Upon making the required payment, the Respondents shall furnish a copy of the front and back of the cancelled check for the payment to the Commissioner as evidence of having made payment, within sixty (60) days of the date of this Final Order;

**FURTHER ORDERED** that Respondents shall send all correspondence, notices, civil penalties, and other required submissions to the Commissioner at the following address: Commissioner of Financial Regulation, 500 N. Calvert Street, Suite 402, Baltimore, MD 21202, Attention: Proceedings Administrator;

**FURTHERED ORDERED** that, notwithstanding the imposition of civil penalties herein, the Commissioner reserves the right to refer any and all of these violations to the State's Attorney for consideration of criminal prosecution pursuant to CL § 14-1915.

11/15/2016  
Date

  
Gordon M. Cooley  
Commissioner