

**IN THE MATTER OF:**

**HUGO HURTADO,**

Respondent.

**BEFORE THE MARYLAND**

**COMMISSIONER OF**

**FINANCIAL REGULATION**

Case No.: CFR-FY2017-0040

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**SETTLEMENT AGREEMENT AND CONSENT ORDER**

This Settlement Agreement and Consent Order (“Agreement”) is entered into this 14 day of August, 2018, by and between the Deputy Commissioner of Financial Regulation (the “Deputy Commissioner”), and Hugo Hurtado (“Hurtado”) individually and doing business as Centurion International Group, LLC (“Centurion International Group”), ( the “Respondent”). The Deputy Commissioner and the Respondent (collectively the “Parties”) consent to the entry of this Agreement as a final resolution of this matter. All paragraphs below are intended to be part of the contractual obligations of the Parties hereto, so far as they may be so construed, and are not mere recitals to this Agreement.

1. Pursuant to the Annotated Code of Maryland Real Property Article (“RP”), Title 7, Subtitle 5, (the Maryland Mortgage Assistance Relief Services Act, hereinafter “MARS Act”), the Commissioner of Financial Regulation (“Commissioner”) has authority to enforce the provisions of MARS Act.

2. Pursuant to RP §7-502, the MARS Act requires that mortgage assistance relief providers comply with the federal Mortgage Assistance Relief Services Rule, set forth in 12 C.F.R. Part 1015 (“Regulation O”). Specifically, RP §7-502 provides as follows: “A mortgage

assistance relief service provider providing assistance relief service in connection with a dwelling in the State that does not comply with 12 C.F.R. §§ 1015.1 through 1015.11 and any subsequent revision of those regulations is in violation of this subtitle.”

3. Pursuant to RP §7-501(d) of the MARS Act, “mortgage assistance relief service” has the same 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 same meaning stated in 12 C.F.R. §1015.2 and any subsequent revision of that regulation, and 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.”

4. In turn, 12 C.F.R. §1015.2 defines “mortgage assistance relief service provider” as “any person that provides, offers to provide or arranges for others to provide, any mortgage assistance relief service,” excluding “the dwelling loan holder, or any agent or contract of such individual or entity,” and “the servicer of a dwelling loan, or any agent or contractor of such individual or entity.” Further, 12 C.F.R. §1015.2 defines “mortgage assistance relief service” as follows:

*Mortgage Assistance Relief Service* means 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 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.

Therefore, under the pertinent federal regulations, incorporated into Maryland law through RP §§ 7-501 and 502 of the MARS Act, a “mortgage assistance relief service provider” includes any person offering, providing, or presenting that they can provide loan modification services for consideration.

5. Pursuant to 12 C.F.R. §1015.5(a), mortgage assistance relief service providers are prohibited from collecting any upfront or other fees from consumers prior to the consumers entering into a written agreement with their lender or servicer that incorporates the offer of mortgage assistance relief.

6. Pursuant to RP § 7-506, the Commissioner may enforce the provisions of the MARS Act by, among other things, conducting investigations and issuing orders in accordance with the Commissioner’s general powers under Annotated Code of Maryland Financial Institutions Article, (“FI”) §§ 2-113 – 2-116, including issuing final cease and desist orders, and imposing a civil penalty of up to \$1,000 for the first violation of the MARS Act, and up to \$5000 for each subsequent violation. The Commissioner may also require persons to take affirmative action to correct a violation, including restitution of money or property to

individuals harmed by the violation.

7. Based on an investigation of a complaint filed by [REDACTED] (the “Consumer”), against the Respondent, the Deputy Commissioner has obtained information that justifies an enforcement action for a violation against Respondent based on the following:

a. The Respondent advertised and marketed loan modification services to Maryland residents, by among other things, placing advertisements in the local newspaper aimed at Maryland consumers that offered mortgage loan modifications for homeowners in foreclosure or in default on their residential mortgage loans. The Respondent’s conduct in offering to obtain loan modifications for consumers meets the definition in the MARS Act for mortgage assistance relief services. The Respondent was therefore required to comply with the provisions of the Act in offering to provide those services to consumers in the State of Maryland.

b. Centurion International Group is a Maryland limited liability company of which the Respondent was the sole member. The Respondent used Centurion International Group to collect the payments he received from Maryland consumers based on his representations that he would obtain loan modifications for those homeowners. Centurion International Group filed on September 25, 2012 its Articles of Organization with the Maryland Department of Assessments and Taxation, and it was forfeited on October 3, 2014 for failure to file a property return for 2013.

c. The investigation conducted by the Office of the Commissioner of Financial Regulation (“OCFR”) revealed that, in the Fall of 2014, the Consumer contacted the Respondent after seeing an advertisement in the local newspaper offering loan modification

services to Maryland residents. The Consumer, who has limited proficiency in the English language, contacted the Respondent because, in addition to advertising loan modification services, the Respondent advertised that he offered services in Spanish, and was a licensed real estate agent. The Respondent promised to provide the Consumer with a loan modification of the residential mortgage loan for her property located at 4005 Stoconga Drive, Beltsville, Maryland 20705.

d. The Consumer entered into a verbal agreement with the Respondent and pursuant to that agreement, paid the Respondent \$800 in upfront fees to obtain a loan modification.

e. Beginning in January 2015, at the Respondent's direction, the Consumer made monthly deposits of approximately \$1,728 to \$1,844 into a Wells Fargo Bank, NA ("Wells Fargo") account designated by the Respondent. The account was in the name of the Respondent's company, Centurion International Group. The Respondent was the sole signator on the bank account. The Respondent represented to the Consumer that the monthly deposits she was making were being required by her lender to show good faith during the loan modification process and further that these deposits were being applied to her loan and represented her new mortgage payments. At the end of 2015, the Consumer contacted Ocwen Loan Services, LLC ("Ocwen") to inquire about her end of the year interest statement. Ocwen informed the Consumer that it had not received any mortgage payments on her loan either from her or anyone on her behalf for the entire year. At the Respondent's direction, the Consumer deposited a total of \$33,604.14 in the aforementioned Wells Fargo bank account, before learning, that the account was not connected to Ocwen or any other lender, but rather

was an account that belonged solely to the Respondent and his company, Centurion International Group.

f. The Respondent engaged in a fraudulent scheme resulting in the Respondent converting \$33,604.14 received from the Consumer into his possession as sole member of Centurion International Group. Although the Consumer ultimately received a loan modification from her lender, the funds deposited in the Wells Fargo bank account were never returned to the Consumer nor applied to her mortgage loan or otherwise accounted for by the Respondent. In addition, the Respondent collected an upfront fee of \$800 for the mortgage assistance relief services in violation of the MARS Act.

8. The Respondent wishes to resolve the alleged violations of MARS Act without the need for further administrative proceedings or other legal proceedings with the Commissioner, and to avoid the costs associated with such proceedings and any potential appeals, and therefore agree to resolve this matter fully, finally, and completely, without enforcement action or administrative proceedings commenced, and further accept without condition, and fully agrees to abide by, each and every term set forth in this Agreement, and waives his right to a Notice of Charges, a hearing, defenses, findings of fact and conclusions of law, the recommended decision of an administrative law judge or other hearing officer with respect to such recommended decisions, and judicial review of this Agreement.

9. The Commissioner agrees not to pursue an enforcement action based on the facts and alleged violations cited herein, unless or until the Respondent fails to perform his obligations under this Agreement.

10. The Respondent acknowledges violation of the cited provisions of the MARS

Act, and agrees to comply with any order or plea in the criminal proceedings against him in this matter to pay restitution to the Consumer in the total amount of \$34,404.14. Respondents acknowledges and agrees that should he fail to comply with the requirement to pay restitution, he will be in violation of the terms of this Agreement and subject to further enforcement action for violation of the MARS Act or other laws enforced by the Commissioner and any and all remedies available to the Commissioner to seek enforcement of the terms.

11. Should the Respondent not be required to pay restitution as part of a plea agreement or resolution of the criminal case in this matter, the Respondent herewith agrees to pay restitution to the Consumer in the amount of \$33,604.14, plus the \$800.00 upfront fee, to the Consumer by making payments in accordance with the payment schedule attached to and incorporated as part of this Agreement. The Respondent agrees that the terms of this Agreement do not in any way affect the Consumer's legal rights to seek restitution for damages and further, that the Respondent will not seek a release from the Consumer in conjunction with this refund

12. The Respondent acknowledges that the Deputy Commissioner is relying, in part, upon Respondent's representations and warranties stated herein in making the determinations in this matter. The Respondent further acknowledges that this Agreement may be revoked and the Commissioner may pursue any and all remedies available under the law against the Respondent if the Commissioner later finds that Respondent knowingly or willfully withheld information from the Commissioner.

13. The Respondent acknowledges that he has had an opportunity to consult with independent legal counsel in connection with the waiver of rights and with the negotiation and

execution of this Agreement, and that the Respondent has either consulted with independent legal counsel or have knowingly and voluntarily elected not to consult with counsel.

14. The Parties hereto agree that this Agreement is admissible and shall be binding and enforceable in court by the Commissioner.

15. The Parties hereto acknowledge that this Agreement does not in any way relate to, impact, or otherwise affect the legal rights of, or preclude the Commissioner from bringing or continuing actions against persons not Parties to this Agreement.

**NOW, THEREFORE**, it is, by the Deputy Commissioner of Financial Regulation, hereby

**ORDERED** that the Respondent shall adhere to all terms of this Settlement Agreement and Consent Order; and it is

**ORDERED** that the Respondent shall pay restitution in the total amount of ~~\$34,404.14~~ <sup>\$29,000.00 SA</sup> to the Consumer as set forth in the plea agreement entered into in the criminal case in this matter and/or as set out in Paragraph 10 if this Settlement Agreement and Consent Order; and it is further

**ORDERED** that the Respondent shall immediately cease and desist from engaging in any of the following: any and all activities which constitute mortgage assistance relief services as defined in RP § 7-501(d), including mortgage assistance relief services, loan modification services, loss mitigation services, and foreclosure consulting in the State of Maryland or with Maryland residents, either by acting directly, or by acting indirectly through other individuals or business entities; and it is further

*SA*  
*PM*  
*8/14/18*

**ORDERED** that the Respondent shall immediately cease and desist from violating the aforementioned statutory provisions of Maryland law, including, but not limited to the MARS Act; and it is further

**ORDERED** that, in the event Respondent violates any provision of this Settlement Agreement and Consent Order, or otherwise engages in the activities which formed the basis for the allegations set forth above, the Commissioner may, at the Commissioner's discretion, take any enforcement actions available under FI § 2-115(b) and RP § 7-506, as well as take any other enforcement actions as permitted by, and in accordance with, applicable State law; and that such enforcement actions could include an order to cease and desist, civil money penalties of up to \$1,000 for each violation and up to \$5,000 for each subsequent violation, an order to provide restitution of money or property to any aggrieved persons, an action for relief in Maryland Circuit Court, and/or referral for possible criminal prosecution; and it is further

**ORDERED** that this matter shall be resolved in accordance with the terms of this Settlement Agreement and Consent Order and the same shall be reflected among the records of the Office of the Commissioner of Financial Regulation; and it is further

**ORDERED** that this document shall constitute a Final Order of the Maryland Commissioner of Financial Regulation, by the authority delegated to the Deputy Commissioner under FI § 2-103, and that the Commissioner may consider this Settlement Agreement and Consent Order and the facts set forth herein in connection with, and in deciding, any action or proceeding before the Commissioner; and that this Settlement Agreement and Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner.

It is so **ORDERED**.

**IN WITNESS WHEREOF**, this Settlement Agreement and Consent Order is executed on the day and year first above written.

**MARYLAND COMMISSIONER OF  
FINANCIAL REGULATION**

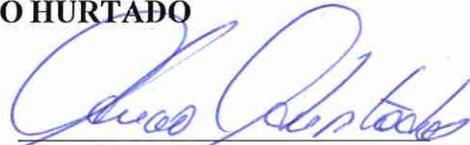
By:



Teresa M. Louro  
Deputy Commissioner of Financial  
Regulation

**HUGO HURTADO**

By:



Hugo Hurtado  
Individually and d/b/a

**CENTURION INTERNATIONAL  
GROUP, LLC, a forfeited limited  
liability company**

By:



Hugo Hurtado  
Owner