

1	In re the Matter of:)	Case No.: 11-136
)	
2	State of New Hampshire Banking Department,)	
)	
3	Petitioner,)	
)	
4	and)	Order to Show Cause and
)	Cease and Desist
5	Relief Law Center, Inc., a California)	
)	
6	Professional Corporation (d/b/a Relief Law)	
)	
7	Center, and a/k/a and d/b/a USA Loan)	
)	
8	Auditors), Matthew Michael McCormick,)	
)	
9	Edward Johnson, and Ben Carter,)	
)	
10	Respondents)	

NOTICE OF ORDER TO SHOW CAUSE AND CEASE AND DESIST ("ORDER")

1. This Order commences an adjudicative proceeding under the provisions of RSA Chapter 397-A (including RSA 397-A:17,I and II, RSA 397-A:18,I and II, and RSA 397-A:20,IV) and RSA Chapter 541-A.

2. The Commissioner may impose administrative penalties of up to \$2,500.00 for each violation. RSA 397-A:21,IV and V.

3. Respondents could be assessed a fine and penalty in an amount not to exceed \$25,000.00 for each violation or failure to comply with the requirements of the S.A.F.E. Mortgage Licensing Act of 2008. RSA 397-A:17, IX.

RESPONDENTS

3. Relief Law Center, Inc., a California Professional Corporation (d/b/a Relief Law Center, and a/k/a and d/b/a USA Loan Auditors) ("Respondent RLC") is a corporation duly incorporated in the State of California on December 31, 2009, with a principal office location in San Diego, California with

1 other locations in California: Orange, Irvine, and Santa Ana. "USA Loan
2 Auditors" is not registered with the California Secretary of State.
3 According to the Better Business Bureau, Respondent RLC was located in
4 Irvine, California and in Orange, California. The Better Business Bureau had
5 the same Orange, California address for "USA Loan Auditors aka Relief Law
6 Center" as what it had directly for Respondent RLC. Neither Respondent RLC
7 nor its d/b/a of USA Loan Auditors is registered with the New Hampshire
8 Secretary of State. Respondent RLC is a "Person." RSA 397-A:1,XVIII.

9 4. The Nationwide Mortgage Licensing System & Registry ("NMLS") does not
10 indicate that Respondent RLC or USA Loan Auditors has ever held a license as
11 a mortgage broker. The New Hampshire Banking Department's ("Department")
12 records do not indicate that Respondent RLC or USA Loan Auditors has ever
13 held a New Hampshire Mortgage Broker license.

14 5. The government agencies who have taken action against Respondent RLC
15 are as follows:

16 a. April 7, 2010: Idaho Department of Finance issued an Order to
17 Cease and Desist against Relief Law Center, also known as USA Loan Auditors;

18 b. May 24, 2010: Wisconsin Attorney General filed a civil complaint
19 against Relief Law Center d/b/a USA Loan Auditors;

20 c. July 30, 2010: Arkansas Securities Commissioner filed a Cease
21 and Desist Order against Relief Law Center d/b/a USA Loan Auditors; and

22 d. January 11, 2011: Pennsylvania Department of Banking issued an
23 Order against Relief Law Center d/b/a USA Loan Auditors.

24 6. Matthew Michael McCormick ("Respondent McCormick") is listed in
25 documents obtained by the Department from Legalzoom (Respondent RLC's

1 registered agent) as the President, Director, Treasurer and Secretary of
2 Respondent RLC. Respondent McCormick was a California attorney from June 7,
3 1996 until he was disbarred on January 1, 2011. Respondent McCormick is a
4 Control person (RSA 397-A:1,V-a), a Principal (RSA 397-A:1,XIX), a Direct
5 Owner (RSA 397-A:1,VI-a), and a Person (RSA 397-A:1,XVIII).

6 7. NMLS does not indicate that Respondent McCormick has ever held a
7 license as a mortgage broker or mortgage loan originator. The Department's
8 records do not indicate that Respondent McCormick has ever held a New
9 Hampshire Mortgage Broker license or New Hampshire Mortgage Loan Originator
10 license.

11 8. Edward Johnson ("Respondent Johnson") is listed as a Negotiator on
12 Respondent RLC Loan Modification documentation for a New Hampshire consumer.
13 Respondent Johnson is an unlicensed New Hampshire Mortgage Loan Originator
14 (RSA 397-A:1,XVII) and a Person (RSA 397-A:1,XVIII).

15 9. NMLS does not indicate that Respondent Johnson has ever held a license
16 as a mortgage loan originator. The Department's records do not indicate
17 that Respondent Johnson has ever held a New Hampshire Mortgage Loan
18 Originator license.

19 10. Ben Carter ("Respondent Carter") is listed as a Negotiator on
20 Respondent RLC loan modification documentation for a New Hampshire consumer.
21 Respondent Carter is an unlicensed New Hampshire Mortgage Loan Originator
22 (RSA 397-A:1,XVII) and a Person (RSA 397-A:1,XVIII).

23 11. NMLS does not indicate that Respondent Carter has ever held a license
24 as a mortgage loan originator. The Department's records do not indicate
25 that Respondent Carter has ever held a New Hampshire Mortgage Loan

1 Originator license.

2 12. The above-named Respondents are hereinafter collectively known as
3 "Respondents".

4 **RIGHT TO REQUEST A HEARING**

5 13. Respondents have a right to request a hearing on this Order. A hearing
6 shall be held not later than ten (10) days after the Commissioner receives
7 the Respondent's written request for a hearing. Respondents may request a
8 hearing and waive the ten (10) day hearing requirement. The hearing shall
9 comply with RSA Chapter 541-A. RSA 397-A:17 and RSA 397-A:18.

10 14. If any person fails to request a hearing within thirty (30) days of
11 receiving this Order, then such person shall be deemed in default, and the
12 Order shall, on the thirty-first (31st) day, become permanent, all
13 allegations may be deemed true, and shall remain in full force and effect
14 until modified or vacated by the Commissioner for good cause shown. RSA
15 397-A:17,I and RSA 397-A:18.

16 15. A default may result in administrative fines as described in
17 Paragraphs 2 and 3 above.

18 **STATEMENT OF ALLEGATIONS**

19 16. In 2010, during a scheduled examination of a Department licensee, the
20 Department discovered Respondent RLC had conducted business with at least
21 one New Hampshire consumer regarding a mortgage loan modification with that
22 Department licensee.

23 17. On January 13, 2010, Respondents contracted with Consumer A to modify
24 Consumer A's mortgage loan without a New Hampshire mortgage broker license,
25 in violation of RSA 397-A:3,I.

1 18. The Department discovered Respondent Johnson transacted business in
2 New Hampshire as a mortgage loan originator from on or about January 13,
3 2010 for Consumer A without a New Hampshire Mortgage Loan Originator
4 license, in violation of RSA 397-A:3,II and RSA 397-A:14,IV(d).

5 19. The Department discovered Respondent Carter transacted business in New
6 Hampshire as a mortgage loan originator from on or about March 30, 2010 for
7 Consumer A without a New Hampshire Mortgage Loan Originator license, in
8 violation of RSA 397-A:3,II and RSA 397-A:14,IV(d).

9 20. On August 10, 2011, the Department sent a letter via U.S. Certified
10 Mail return receipt requested to Respondent RLC at the Santa Ana, California
11 address, suggesting Respondents apply for licensure with the Department, and
12 requesting documents relative to New Hampshire consumers. Respondents
13 received the correspondence on August 15, 2011. The Department did not
14 receive a response to this correspondence.

15 21. On August 10, 2011, the Department sent a letter via U.S. Certified
16 Mail return receipt requested to Respondent RLC at two different Irvine,
17 California addresses, suggesting Respondents apply for licensure with the
18 Department, and requesting documents relative to New Hampshire consumers.
19 Both letters were returned to the Department on August 22, 2011 as "return
20 to sender" and "unable to forward."

21 22. On August 10, 2011, the Department sent a letter via U.S. Certified
22 Mail return receipt requested to Respondent RLC at the San Diego, California
23 address, suggesting Respondents apply for licensure with the Department, and
24 requesting documents relative to New Hampshire consumers. The letter was
25 returned to the Department on August 15, 2011 and stated "Relief Law Center

1 Inc Box Closed; unable to forward, return to sender."

2 23. On August 10, 2011, the Department sent a letter via U.S. Certified
3 Mail return receipt requested to Respondent RLC at the Orange, California
4 address, suggesting Respondents apply for licensure with the Department, and
5 requesting documents relative to New Hampshire consumers. Respondents
6 received the correspondence on August 13, 2011. The Department did not
7 receive a response to this correspondence.

8 24. On August 10, 2011, the Department sent a letter via U.S. Certified
9 Mail return receipt requested to Respondent McCormick at the San Diego,
10 California address, suggesting Respondents apply for licensure with the
11 Department, and requesting documents relative to New Hampshire consumers.
12 The letter was returned to the Department on August 15, 2011 and stated
13 "McCormick Box Closed; unable to forward, return to sender."

14 25. On August 10, 2011, the Department sent a letter via U.S. Certified
15 Mail return receipt requested to Respondent McCormick at the Santa Ana,
16 California address, suggesting Respondents apply for licensure with the
17 Department, and requesting documents relative to New Hampshire consumers.
18 Respondents received the correspondence on August 15, 2011. The Department
19 did not receive a response to this correspondence.

20 26. On August 10, 2011, the Department sent a letter via U.S. Certified
21 Mail return receipt requested to Respondent McCormick at the Sacramento,
22 California address listed for Respondent McCormick with the California State
23 Bar, suggesting Respondents apply for licensure with the Department, and
24 requesting documents relative to New Hampshire consumers. The letter was
25 returned to the Department on August 30, 2011 and stated "Freedom Law Center

1 show Respondents are operating or have operated in violation of RSA Chapter
2 397-A and form the legal basis for this Order;

3 b. Pursuant to 397-A:20,VI, this Order is necessary and appropriate
4 to the public interest and for the protection of consumers and consistent
5 with the purpose and intent of New Hampshire banking laws;

6 c. The Department finds pursuant to RSA 397-A:17,II and RSA 397-
7 A:18,II, reasonable cause to issue an order to cease and desist; and

8 d. Pursuant to RSA 397-A:17,I and RSA 397-A:18,II, if any
9 Respondent fails to respond to this Order and/or defaults then all facts as
10 alleged herein are deemed as true.

11 **32. Accordingly, it is hereby ORDERED that:**

12 a. Respondents shall cease and desist from violating RSA Chapter
13 397-A and rules or orders thereunder;

14 b. Respondents shall immediately provide the Department a list of
15 all New Hampshire consumers for whom Respondents have residential mortgage
16 loan modification activity and a status of those accounts. This list must
17 include the names and contact information of the New Hampshire consumers,
18 along with monies charged, collected and waived (if applicable). The list
19 shall also be accompanied by all contracts, checks to and from the consumer
20 and any other documents in the New Hampshire consumers' files;

21 c. Respondents shall show cause why the Commissioner should not
22 enter an order of rescission, restitution, or disgorgement of profits as
23 related to unlicensed activity that occurred with or for New Hampshire
24 consumers;

25 d. Respondents shall show cause why an administrative fine of up to

1 a maximum of \$2,500.00 per violation (as stated in Counts below) should not
2 be imposed as follows:

3 (1). Respondent RLC:

4 #1: Unlicensed mortgage broker activity (RSA 397-A:3,I) -
5 1 Count;

6 #2: Failure to provide documents (RSA 397-A:12,I) - 1
7 Count;

8 (2). Respondent McCormick (as Control Person, Direct Owner, and
9 Principal):

10 #1: Unlicensed mortgage broker activity (RSA 397-A:3,I) -
11 1 Count;

12 #2: Failure to provide documents (RSA 397-A:12,I) - 1
13 Count;

14 (3). Respondent Johnson (Unlicensed Mortgage Loan Originator):

15 #1: Transacted business without a valid New Hampshire
16 Mortgage Loan Originator license (RSA 397-A:3,II) - 1
17 Count;

18 #2: Conducted business without holding a valid license
19 (RSA 397-A:14,IV(d)) - 1 Count;

20 (4). Respondent Carter (Unlicensed Mortgage Loan Originator):

21 #1: Transacted business without a valid New Hampshire
22 Mortgage Loan Originator license (RSA 397-A:3,II) - 1
23 Count;

24 #2: Conducted business without holding a valid license
25 (RSA 397-A:14,IV(d)) - 1 Count;

1 e. In addition to Paragraph 32d above, the following Respondents
2 shall show cause why a fine in an amount not to exceed \$25,000.00 for each
3 violation (as stated in Counts below) or failure to comply with the
4 requirements of the S.A.F.E. Mortgage Licensing Act of 2008 (as stated in
5 Counts below) should not be imposed as follows:

6 (1). Respondent Johnson:

7 #1: Failure to be licensed as a Mortgage Loan Originator
8 in accordance with the S.A.F.E. Mortgage Licensing Act of
9 2008 (RSA 397-A:17,IX) (1 Count);

10 (2). Respondent Carter:

11 #1: Failure to be licensed as a Mortgage Loan Originator
12 in accordance with the S.A.F.E. Mortgage Licensing Act of
13 2008 (RSA 397-A:17,IX) (1 Count);

14 f. Nothing in this Order:

15 (1). shall prevent the Department from taking any further
16 administrative and legal action as necessary under New Hampshire law; and

17 (2). shall prevent the New Hampshire Office of the Attorney
18 General from bringing an action against the above named Respondents in any
19 New Hampshire superior court, with or without prior administrative action by
20 the Commissioner.

21
22 **SO ORDERED.**

23 _____/s/
24 RONALD A. WILBUR
25 BANK COMMISSIONER

Dated: November 10, 2011