

1 In re the Matter of:) Case No.: 09-207
)
 2 State of New Hampshire Banking)
)
 3 Department,)
)
 4 Petitioner,) Order to Show Cause and
) Cease and Desist
 5 and)
)
 6 Consumer Debt Advocate Law Center,)
)
 7 Inc., a Professional Corporation)
)
 8 (a/k/a consumerdebtadvocate.net, a/k/a)
)
 9 and d/b/a Consumer Debt Advocate,)
)
 10 a/k/a and d/b/a CDA Law Center and)
)
 11 a/k/a cdalawcenter.com, and d/b/a)
)
 12 negotiateyourdebt.com), Robert G.)
)
 13 Scurrah, Jr., Esq. and Law Offices of)
)
 14 Robert G. Scurrah,)
)
 15 Respondents)

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

17 1. This Order commences an adjudicative proceeding under the provisions
 18 of RSA Chapter 399-D (including RSA 399-D:13,I, RSA 399-D:23,I, RSA 399-
 19 D:23,II, RSA 399-D:25,IV and RSA 399-D:25,VI) and RSA 397-A (including RSA
 20 397-A:17,I, RSA 397-A:18,I, RSA 397-A:18,II, RSA 397-A:20,IV and RSA 397-
 21 A:20,VI) and RSA Chapter 541-A.

22 2. The Commissioner may impose administrative penalties of up to
 23 \$2,500.00 for each violation. RSA 399-D:24 and RSA 397-A:21.

24 RESPONDENTS

25 3. Consumer Debt Advocate Law Center, Inc., a Professional Corporation

1 (a/k/a consumerdebtadvocate.net, a/k/a and d/b/a Consumer Debt Advocate,
2 a/k/a and d/b/a/ CDA Law Center and a/k/a cdalawcenter.com, and d/b/a
3 negotiateyourdebt.com) ("Respondent CDA") is a corporation duly incorporated
4 in the State of California on February 19, 2009 with its current principal
5 office location of Aliso Viejo, California. Consumer Debt Advocate is also a
6 corporation duly incorporated in the State of California on July 1, 2008
7 with a principal office location of San Clemente, California. Respondent
8 CDA is a "Person" (RSA 399-D:2,VII and RSA 397-A:1,XVIII).

9 4. Respondent CDA and its separately incorporated company Consumer Debt
10 Advocate are one and the same company. The agent for service of process of
11 Respondent CDA is Robert G. Scurrah. When www.consumerdebtadvocate.net is
12 entered in Internet Explorer as the domain name, the user is automatically
13 taken to the CDA Law Center website. Respondent CDA's www.cdalawcenter.com
14 website's "About Us" page described Robert G. Scurrah as among the "other
15 fine attorneys at CDALC [who] attentively work on every loan modification
16 case [they] take on."

17 5. Respondent CDA has never been licensed by the New Hampshire Banking
18 Department ("Department") as a New Hampshire Debt Adjuster or New Hampshire
19 Mortgage Broker.

20 6. Respondent Robert G. Scurrah, Jr. Esq. ("Respondent Scurrah") is an
21 attorney who is an active member of the California State Bar and serves as
22 both counsel and a mortgage loan modification negotiator/originator for
23 Respondent CDA. Respondent Scurrah's law firm is the Law Offices of Robert
24 G. Scurrah. Respondent Scurrah also serves as Consumer Debt Advocate Law
25 Center, Inc., a Professional Corporation's registered agent. Respondent

1 Scurrah is not a New Hampshire licensed attorney. Respondent Scurrah is a
2 Person (RSA 399-D:2,VII and RSA 397-A:1,XVIII), Control person (RSA 397-
3 A:1,V-a), Direct Owner (RSA 399-D:2,V-b and RSA 397-A:1,VI-a) and a
4 Principal (RSA 399-D:2,VII-a and RSA 397-A:1,XIX).

5 7. Respondent Scurrah has never been licensed by the Department as a New
6 Hampshire Debt Adjuster, New Hampshire Mortgage Broker or New Hampshire
7 Mortgage Loan Originator.

8 8. Respondent Law Offices of Robert G. Scurrah ("Respondent Law Office")
9 is a California law firm, of which Respondent Scurrah appears to be the
10 owner. Respondent Law Office is a "Person" (RSA 399-D:2,VII and RSA 397-
11 A:1,XVIII).

12 9. Respondent Law Office has never been licensed by the Department as a
13 New Hampshire Debt Adjuster or New Hampshire Mortgage Broker.

14 10. The above named Respondents are hereby collectively known as
15 "Respondents".

16 **RIGHT TO REQUEST A HEARING**

17 11. Respondents have a right to request a hearing on this Order. A hearing
18 shall be held not later than ten (10) days after the Commissioner receives
19 the Respondent's written request for a hearing. Respondents may request a
20 hearing and waive the ten (10) day hearing requirement. The hearing shall
21 comply with RSA Chapter 541-A, RSA 399-D:13, RSA 399-D:23, RSA 397-A:17 and
22 RSA 397-A:18.

23 12. If any person fails to request a hearing within thirty (30) days of
24 receiving this Order, then such person shall be deemed in default, and the
25 Order shall, on the thirty-first (31st) day, become permanent, all

1 allegations may be deemed true, and shall remain in full force and effect
2 until modified or vacated by the Commissioner for good cause shown. RSA 399-
3 D:13, RSA 399-D:23, RSA 397-A:17 and RSA 397-A:18.

4 13. A default may result in administrative fines as described in Paragraph
5 2 above.

6 **STATEMENT OF ALLEGATIONS**

7 14. On January 9, 2009, the Department received a hotline call from a
8 consumer (Consumer A) who paid approximately \$2,000.00 to Respondents to
9 negotiate Consumer A's debt.

10 15. On January 15, 2009, the Department's Examiner sent an inquiry letter
11 via certified mail to Respondents, which Respondents received on January 20,
12 2009. Respondents failed to respond.

13 16. On September 17, 2009, the Department's Investigator submitted a
14 second inquiry letter via certified mail to Respondents, which Respondents
15 received on September 21, 2009. Respondents failed to respond.

16 17. On October 30, 2009, the Department's Investigator submitted a third
17 inquiry letter via certified mail to Respondents, which Respondents received
18 on November 5, 2009. Respondents failed to respond.

19 18. On March 19, 2010, the Department received a consumer complaint from
20 Consumer B, regarding Respondents. In September 2009, Consumer B spoke with
21 Respondent CDA and paid Respondent CDA \$1,995.00 on September 10, 2009.
22 Respondent CDA failed to process Consumer B's modification application to
23 Consumer B's lender/servicer and failed to refund Consumer B.

24 19. Respondent CDA's website states that CDA Law Center is "nationally
25 recognized as one of the top trusted firms in the country for helping

1 consumers through their loan modification process."

2 20. Respondent CDA's website also states that Respondent Scurrah, along
3 with other attorneys at the CDA Law Center "attentively work on every loan
4 modification case [] [they] take on" and that "[] [they] will push the
5 lender to get [] [the consumer] the very best terms available..."

6 21. Respondents' actions to negotiate Consumer A's debt without a
7 Department Debt Adjuster license are in violation RSA 399-D:3,I.

8 a. Prior to April 1, 2009 and the implementation of the S.A.F.E.
9 Act under RSA Chapter 397-A, those who modified mortgage loans for New
10 Hampshire consumers with New Hampshire properties had to be licensed as Debt
11 Adjusters.

12 b. Prior to April 1, 2009, attorneys who were not licensed New
13 Hampshire attorneys and who did not fit any other exemption were required to
14 be licensed by the Department as a debt adjuster for conducting any
15 residential mortgage loan modification activity or negotiating any other
16 type of debt.

17 22. Respondent CDA's and Respondent Law Office's actions to modify
18 Consumer B's existing mortgage loan without a Department Mortgage Broker
19 license are in violation of RSA 397-A:3,I. Respondent Scurrah's actions to
20 modify Consumer B's existing mortgage loan without a Department Mortgage
21 Loan Originator license are in violation of RSA 397-A:3,II.

22 a. Post April 1, 2009, entities are required to be licensed as
23 Mortgage Brokers under RSA Chapter 397-A and the individuals actually
24 modifying the loans must be licensed as Mortgage Loan Originators. Attorneys
25 whose client representation is primarily for mortgage loan modification and

1 not as ancillary representation must be licensed by the Department as a New
2 Hampshire Mortgage Loan Originator.

3 _____ /s/
4 Maryam Torben Desfosses
5 Hearings Examiner

_____ April 5, 2011
Date

6 **ORDER**

7 23. **I hereby find as follows:**

8 a. Pursuant to RSA 399-D13,I and RSA 397-A:17,I, the facts as
9 alleged above, if true, show Respondents are operating or have operated in
10 violation of RSA Chapter 399-D and RSA Chapter 397-A and form the legal
11 basis for this Order;

12 b. Pursuant to RSA 399-D:25,VI and 397-A:20,VI, this Order is
13 necessary and appropriate to the public interest and for the protection of
14 consumers and consistent with the purpose of New Hampshire banking laws;

15 c. The Department finds pursuant to RSA 399-D:23,II and RSA 397-
16 A:18,II, reasonable cause to issue an order to cease and desist; and

17 d. If any Respondent fails to respond to this Order and/or defaults
18 then all facts as alleged herein are deemed as true.

19 24. **Accordingly, it is hereby ORDERED that:**

20 a. Respondents shall cease and desist from violating RSA Chapter
21 399-D and rules or orders thereunder;

22 b. Respondents shall cease and desist from violating RSA Chapter
23 397-A and rules or orders thereunder;

24 c. Respondents shall immediately provide the Department a list of
25 all New Hampshire consumers for whom Respondents have conducted debt
adjustment activity and mortgage loan modification activity and a status of

1 those accounts. This list must include the names and contact information of
2 the New Hampshire consumers, along with monies charged, collected and waived
3 (if applicable). The list shall also be accompanied by all contracts, checks
4 to and from the consumer and any other documents in the New Hampshire
5 consumers' files;

6 d. Respondents shall show cause why an administrative fine of up to
7 a maximum of \$2,500.00 per violation should not be imposed as follows:

8 (1). Respondent CDA:

9 Violation #1: Unlicensed debt adjustment activity (RSA
10 399-D:3,I) - 1 Count;

11 Violation #2: Unlicensed mortgage loan modification
12 activity (RSA 397-A:3,I) - 1 Count;

13 (2). Respondent Scurrah (as Control Person, Direct Owner and
14 Principal):

15 Violation #1: Unlicensed debt adjustment activity (RSA
16 399-D:3,I) - 1 Count;

17 Violation #2: Unlicensed mortgage loan modification
18 activity (RSA 397-A:3,I) - 1 Count;

19 Violation #3: Unlicensed mortgage loan originator activity
20 (RSA 397-A:3,II) - 1 Count;

21 (3). Respondent Law Office:

22 Violation #1: Unlicensed debt adjustment activity (RSA
23 399-D:3,I) - 1 Count;

24 Violation #2: Unlicensed mortgage loan modification
25 activity (RSA 397-A:3,I) - 1 Count;

1 e. Respondents shall show cause why Respondents should not refund
2 each of its New Hampshire consumers fees paid to Respondents;

3 f. Respondents shall show cause why back-license fees of \$100.00
4 for debt adjuster activity should not be paid to the Department;

5 g. Respondents shall show cause why back-license fees of \$1,000.00
6 for mortgage broker (mortgage loan modification) activity should not be paid
7 to the Department;

8 h. Respondents shall show cause why back-license fees of \$300.00
9 for mortgage loan originator (mortgage loan modification) activity should
10 not be paid to the Department; and

11 i. Nothing in this Order:

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

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

18
19 **SO ORDERED.**

20
21 _____ /s/
22 ROBERT A. FLEURY
23 DEPUTY BANK COMMISSIONER

Dated: 04/08/11