

BEFORE THE OFFICE OF FINANCIAL REGULATION

IN THE MATTER OF:

BROCK & SCOTT, PLLC

Respondent.

Case No.: CFR-FY2024-41

CONSENT ORDER AND SETTLEMENT AGREEMENT

This matter arises from a complaint and an investigation conducted by the Maryland Commissioner of Financial Regulation ("Commissioner") into the acts and practices of a licensed debt collection agency Brock & Scott, PLLC and its current and prior owners, directors, officers, members, partners, and agents (collectively "Respondent") in the State of Maryland. Based upon the investigation, the Commissioner has determined that charges against the Respondent(s) are warranted. To resolve this matter without a formal hearing and for the mutual benefit of the parties, the Commissioner and the Respondents (collectively the "Parties") have agreed to enter this Consent Order and Settlement Agreement ("Consent Order"), which is fair and equitable under the circumstances, and consistent with the best interest of the citizens of the State of Maryland ("Maryland").

The Parties stipulate and agree as follows:

1. Brock & Scott, PLLC is incorporated in North Carolina and maintains a principal place of business at 1315 Westbrook Plaza Drive, Suite 100, Winston-Salem, North Carolina 27103. The Board licenses Brock & Scott PLLC as a debt collection agency in Maryland, license registration number 1660571.

2. The Commissioner received Complaint No. CFR-FY2024-41 from a Maryland borrower alleging that Brock & Scott, PLLC had failed to timely provide the required documents at least twenty (20) days before postfile foreclosure mediation sessions.

3. Md. Code Ann., Real Property Article, §7-105.1(k) provides:

(k)(1) Within 5 days after receipt of a request for postfile mediation, the court shall transmit the request to the Office of Administrative Hearings for scheduling.

(2)(i) Within 60 days after transmittal of the request for foreclosure mediation, the Office of Administrative Hearings shall conduct a foreclosure mediation.

(ii) For good cause, the Office of Administrative Hearings may extend the time for completing the foreclosure mediation for a period not exceeding 30 days or, if all parties agree, for a longer period of time.

(3) The Office of Administrative Hearings shall send notice of the scheduled foreclosure mediation to the foreclosure attorney, the secured party, and the mortgagor or grantor.

(4) The notice from the Office of Administrative Hearings shall:

(i) Include instructions regarding the documents and information, as required by regulations adopted by the Commissioner of Financial Regulation, that must be provided by each party to the other party and to the mediator; and

(ii) Require the information and documents to be provided no later than 20 days before the scheduled date of the foreclosure mediation.

4. Code of Maryland Regulations ("COMAR") 09.03.12.09A provides in pertinent part:

(2) With respect to a scheduled postfile mediation session, the Office of Administrative Hearings shall provide the Borrower(s) Information Worksheet and the instructions regarding the documents and information that must be provided by each party to the other and to the Office of Administrative Hearings in a form substantially similar to that in Appendix OAH-2 of this regulation.

5. Appendix OAH-2 provides "At least **20 days prior to mediation**, the following documents must be sent to the Office of Administrative Hearings (OAH) and the opposing party (homeowner or attorney for the lender)." The documents the attorney for the lender must send include the following:

Lender:

- Final Loss Mitigation Affidavit.
- Borrower's payment history.
- Correspondence log from the time the loan went into default until the date of submission, if requested by the borrower. NOTE: If the borrower requests the correspondence log, their request must be made to the servicer prior to the document submission deadline.
- Pre-mediation statement that includes:
 - (1) persons named on the deed;
 - (2) persons named on the promissory note;
 - (3) name of servicer and contact information for the single point of contact;
 - (4) name of secured party/investor; APPENDIX OAH-2 (Page 2 of 3)

- (5) current unpaid principal balance, reinstatement and payoff amount, and interest rate;
- (6) prior modification and/or partial claim agreements;
- (7) recent property valuation, if available;
- (8) date of default; and
- (9) name, phone number and email address of the individual who will represent the secured party at the foreclosure mediation.

6. The Maryland General Assembly has authorized the Commissioner, on his own initiative, to make a public or private investigation as the Commissioner considers necessary to determine whether a person has violated any provision of law, regulations, rule, or order over which the Commissioner has jurisdiction; or aid in the enforcement of any law or in the prescribing of regulations, rules, and orders over which the Commissioner has jurisdiction. *See* Md. Code Ann., Financial Institutions Article ("FI") §2-114.

7. The Commissioner's investigative and enforcement powers in FI, Title 2, Subtitle 1, are in addition to any investigative or enforcement powers of the Commissioner authorized under any other provision of law. *See* FI §2-113.

8. When the Commissioner determines, after notice and a hearing, unless the right to notice and a hearing is waived, that a person has engaged in an act or practice constituting a violation of a law, regulation, rule, or order over which the Commissioner has jurisdiction, in addition to taking any other actions authorized under Maryland law, the Commissioner may, in the Commissioner's discretion: (1) issue a final cease and desist order against the person; (2) suspend or revoke the license of the person; (3) issue a penalty order against the person imposing a civil penalty not exceeding: (a) \$10,000 for a first violation and (b) \$25,000 for each subsequent violation; or (4) issue an order against any person requiring the person to take affirmative action to correct the violation, including making restitution to any person aggrieved by the violation; or (5) take any combination of the aforementioned actions. *See* FI §2-115(b).

9. The Commissioner conducted an investigation that revealed that Brock & Scott PLLC failed to timely provide the required documents to ten (10) Maryland borrowers at least 20 days prior to mediation as required by Md. Code Ann. Real Property Article, §7-105.1(k)(4)(ii) and COMAR 09.03.12.09A(2). (See attached Exhibit A.)

10. It is not known whether any borrower was harmed or suffered damages as the result of any failure to provide the required documents at least 20 days prior to mediation.

11. The Respondent represents, and the Commissioner acknowledges, that Respondent has corrected its internal procedures to ensure that these types of violations will no longer occur.

12. The Respondent, in consultation with independent legal counsel, desires and hereby agrees to resolve this matter fully and finally, thereby avoiding the costs associated with the contested case administrative hearing and any potential appeals by entering this Consent Order.

13. By entering this Consent Order, the Respondent expressly waives its right to: (a) a contested case administrative hearing before an Administrative Law Judge ("ALJ") of the OAH to defend the charges alleged in paragraph 2 and 9; (b) the making of Findings of Fact and Conclusions of Law by an ALJ; and (c) seek judicial review of this Consent Order by a court of competent jurisdiction.

14. Having consulted with independent legal counsel regarding the negotiation and execution of this Consent Order, the Respondent hereby agree and acknowledge that it is entering this Consent Order knowingly, willingly, voluntarily, and with the advice of counsel.

15. The Respondent acknowledges that this Consent Order shall, no sooner than 15 days from the date of this Consent Order, constitute a public record and will constitute a reportable event for purposes of the regulatory disclosure questions on the Nationwide Multistate Licensing System and Registry ("NMLS"), as applicable.

16. The Respondent agrees to fully comply with the following terms and conditions in exchange for a final resolution of this matter:

- a. The Respondent agrees that while operating in Maryland it will implement and maintain a business model that complies with all applicable laws and regulations of Maryland as may be determined by the Commissioner.
- b. An investigative fee in the amount of thirty-thousand dollars (\$30,000.00) shall be paid by Respondent through NMLS within thirty (30) days of the date of this Consent Order.

17. The Commissioner and the Respondent further acknowledge and agree that this Consent Order shall be admissible, binding, and enforceable in a court of competent jurisdiction by the Commissioner should the Respondents fail to perform their obligations under this Consent Order, and shall be admissible in any court proceedings to which the Commissioner is a party, and shall be binding upon and run to the benefit of Respondent's present and future owners, principals, directors, officers, members, partners, managers, agents, successors, and assigns.

18. The Commissioner and Respondent further acknowledge and agree that this Consent Order 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 Consent Order and does not in any way prevent, preclude, or otherwise prohibit any consumer or other third party from pursuing any legal right, claim, or remedy at law relating to the facts or circumstances alleged in the Summary Order or this Consent Order.

19. The Respondent further acknowledges and agrees to completely release and forever discharge the Commissioner from any and all past, present, or future claims, demands, obligations,

actions, or causes of action, which the Respondent now have, or which may hereafter accrue or otherwise be acquired, on account of, or may in any way grow out of or relate to the facts or circumstances alleged in this Consent Order. The Respondent acknowledges and agrees that the release and discharge set forth above constitutes a general release, and shall apply to the present and future agents, servants, employees, successors in interest, and assigns of the Commissioner.

20. The Respondent further acknowledges and represents that the undersigned have expressed and/or implied authority to execute this Consent Order on behalf of the Respondent and bind the Respondent to the terms, conditions, and provisions of this Consent Order.

21. The term or duration of this Consent Order and Settlement Agreement shall be in effect for one year from the set forth below on this Consent Order, notwithstanding that the Respondent agrees to continue to comply with all Maryland laws and regulations.

22. All notices or correspondence sent with respect to this Consent Order shall be in writing and forwarded to the following addresses, unless such addresses have been changed in writing, *via* First Class United States Mail, postage prepaid, and by electronic mail as follows:

a. To the Office of Financial Regulation

Office of Financial Regulation
Maryland Department of Labor
100 S. Charles Street, Tower 1, Suite 5300
Baltimore, Maryland 21201
Attn: Dana Allen, Director of Enforcement
Email: dana.allen@maryland.gov

AND

Office of the Attorney General
Maryland Department of Labor
100 S. Charles Street, Tower 1, Suite 9200
Baltimore, Maryland 21201
Attn: Gretchen C. Reimert, Assistant Attorney General
Email: gretchen.reimert@maryland.gov

b. To Respondent:

Brock & Scott, PLLC
5431 Oleander Drive
Wilmington, NC 28403
Attn: Brennan Ferguson, Esq., Managing Partner, Foreclosure
Email: brennan.ferguson@brockandscott.com

AND

Carr Maloney, P.C.

2000 Pennsylvania Avenue, NW Suite 8001
Washington, DC 20006
Attn: Matthew D. Berkowitz, Esq.
Email: matthew.berkowitz@carrmaloney.com

BASED ON THE FOREGOING STIPULATIONS AND AGREEMENTS, IT IS ON THE 30th DAY OF JUNE, 2025, BY THE COMMISSIONER OF FINANCIAL REGULATION:


ORDERED that Respondent is subject to and shall adhere to all terms of this Consent Order; and it is further

ORDERED that in the event the Respondent violates any provision of this Consent Order, or otherwise engage in the activities that formed the basis for this Consent Order, the Commissioner may, at his/her discretion, bring an enforcement action against the Respondent pursuant to their authority under applicable State law; such enforcement actions may include the issuance of an order to cease and desist, the imposition of civil monetary penalties, an order to provide restitution of money or property to any aggrieved persons, and/or an action for relief in a court of competent jurisdiction; and further

ORDERED that the Commissioner of Financial Regulation's records and publications reflect the terms and agreement in this Consent Order; and it is further

ORDERED that this Consent Order shall constitute the Final Order of the Commissioner of Financial Regulation and this Consent Order may be considered in connection with, and in deciding, any future action or proceeding before the Commissioner; and the Consent Order may, if relevant, be admitted into evidence in any matter before the Commissioner, the Office of Administrative Hearings, or court of competent jurisdiction in which the Commissioner is a party.

COMMISSIONER OF FINANCIAL REGULATION

By: 
Kathleen P. Hyland
Deputy Commissioner of Financial Regulation

IT IS SO AGREED:

BROCK & SCOTT, PLLC

By: 
Brennan B. Ferguson

Brock & Scott Foreclosure Notice/OAH letter summary of dates- 1/17/2023

Flagged/Non-Compliance with 20 day window reqmt

EXHIBIT A – MONTGOMERY COUNTY CONSUMER LIST

Tax account number	Property address	Owner	OAH Letter	OAH Docs	Date Mediation	Count Col	GM Notice F/C	Compliance Flag Marker	Notice F/C	\$\$\$ Worksheet	Order Docket	Order Sub Trustee	B&S Doc File Page Refer	Outcome Date	Outcome
[REDACTED]	[REDACTED]	[REDACTED]	2/12/2020	Y	2/27/2020	15		Flag	9/26/2019	10/7/2019	11/18/2019	7/9/2019	5 [REDACTED]	6/30/2020	Voluntary D
[REDACTED]	[REDACTED]	[REDACTED]	3/9/2022	Y	3/24/2022	15		Flag	8/26/2021	8/27/2019	9/21/2021	8/26/2021	5 [REDACTED]	12/19/2021	Auction Cor
[REDACTED]	[REDACTED]	[REDACTED]	2/28/2024	Y	3/18/2024	19		Flag	12/20/2021	6/11/2022	6/29/2022	5/20/2018	8 [REDACTED]	1/25/2023	Med Failed
[REDACTED]	[REDACTED]	[REDACTED]	10/26/2023	Y	11/6/2023	11		Flag	4/8/2022	2/9/2023	1/31/2023	1/19/2023	8 [REDACTED]	9/21/2023	Foreclosure

EXHIBIT B – PRINCE GEORGE's COUNTY CONSUMER LIST

[REDACTED]	[REDACTED]	[REDACTED]	4/2/2023	Y	4/11/2023	9		Flag	5/23/2023	8/9/2022	8/24/2022	8/10/2022	4 [REDACTED]	4/19/2023	Voluntary D
[REDACTED]	[REDACTED]	[REDACTED]	1/16/2023	Y	1/27/2023	11		Flag	5/13/2022	5/13/2022	6/9/2022	5/13/2023	2 [REDACTED]	10/18/2023	Sale Ratified
[REDACTED]	[REDACTED]	[REDACTED]	4/18/2023	Y	4/20/2023	2		Flag	5/19/2022	9/21/2022	5/27/2022	3/25/2022	1 [REDACTED]	2/28/2023	Voluntary D
[REDACTED]	[REDACTED]	[REDACTED]	9/28/2023	Y	10/10/2023	12		Flag	9/29/2021	3/21/2022	5/28/2022	4/5/2022	1 [REDACTED]	11/21/2023	Voluntary D
[REDACTED]	[REDACTED]	[REDACTED]	11/7/2022	Y	11/22/2022	15		Flag		10/19/2021	4/12/2022	3/7/2022	2 [REDACTED]	6/29/2022	Voluntary D
[REDACTED]	[REDACTED]	[REDACTED]	11/11/2022	Y	11/23/2022	12		Flag	8/9/2021	9/15/2021	4/19/2022	4/11/2022	1 [REDACTED]	2/9/2023	Voluntary D