

**FILED**

JUL 19 2010

STATE OF NEW JERSEY  
DEPARTMENT OF LAW & PUBLIC SAFETY

Division of Consumer Affairs

DIVISION OF CONSUMER AFFAIRS

In the Matter of  
James B. Wilson,  
Respondent.



Administrative Action

CONSENT ORDER

This matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection ("Division"), as an investigation to determine whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), and the New Jersey Racketeer Influenced and Corrupt Organizations Act, N.J.S.A. 2C:41-4(b) et seq. ("New Jersey Civil RICO Act") have been committed by the Respondent, James B. Wilson, in connection with the Respondent's actions as the principal of JBW Holdings, L.L.C., and SJB Holdings, L.L.C., ("collectively JBW Activities") which resulted in the procurement of at least thirty-six (36) residential loan applications described in Exhibit A attached hereto ("the Thirty-Six Mortgage Loans"), (hereinafter collectively referred to as the "Investigation"); and

WHEREAS the Respondent has voluntarily and fully cooperated

with the Division, and provided information to assist the Investigation;

WHEREAS the Division and Respondent (collectively, the "Parties") have reached an amicable agreement thereby resolving the issues in controversy with respect to the Respondent and concluding this matter without the need for further action, including formal civil legal proceedings, against him;

WHEREAS the Respondent denies having committed any violation of law including, but not limited to, the CFA or New Jersey Civil RICO Act, and acknowledges that he has been informed of his right to have any and all such claims by the Division adjudicated in Superior Court before a civil administrative penalty is imposed; and

WHEREAS the Parties enter into this Consent Order to avoid the expenses and uncertainty associated with further investigation and/or litigation,

IT IS HEREBY ORDERED AND AGREED AS FOLLOWS:

EFFECTIVE DATE

1. This Consent Order shall be effective on the date that it is filed with the Division ("Effective Date").

## DEFINITIONS

2. As used in this Consent Order, the following words or terms shall have the following meanings, which meanings shall apply wherever the words and terms appear in this Settlement:

- a) "Attorney General" shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.
- b) "Consumer" shall refer to any Person, defined in accordance with N.J.S.A. 56:8-1(d), who is offered Merchandise, defined in accordance with N.J.S.A. 56:8-1(c), for Sale, defined in accordance with N.J.S.A. 56:8-1(e).
- c) "Division" or "Division of Consumer Affairs" shall refer to the New Jersey Division of Consumer Affairs.
- d) "Debt Adjustment" means acting or offering to act for a consideration as an intermediary between a debtor and the debtor's creditors for the purpose of settling, compounding, or otherwise altering the terms of payment of any debts of the debtor, including a home mortgage, or receiving money or other property from a debtor, or on behalf of a debtor, for payment to, or distribution among, the creditors of the debtor pursuant to the Debt Adjustment and Credit Counseling Act ("DACCA"), N.J.S.A. 17:16G-1.
- e) "Licensed Lenders Act" or "LLA" shall refer to the New Jersey Licensed Lenders Act, N.J.S.A. 17:11C et seq.
- f) "Licensed Lenders Regulations" shall refer to Chapter 15, Licensed Lenders, of Title 3 of the New Jersey Administrative Code.
- g) "NJDOBI" shall refer to the New Jersey Department of Banking and Insurance.
- h) "Residential Mortgage Lending Act" or "RMLA" shall refer to the New Jersey Residential Mortgage Lending Act, N.J.S.A. 17:11C-51 et seq.
- i) "Residential Mortgage Lending Act Regulations" or "RMLA Regulations" shall refer to Chapter 15, Residential

Mortgage Lenders, of Title 3 of the New Jersey Administrative Code.

j) "Mortgage Loan Modification or Foreclosure Relief Service" means any good, service, plan, or program that is represented, expressly or by implication, to assist a Consumer in any manner to (A) stop, prevent, or postpone any home mortgage or deed of trust foreclosure sale; (B) obtain or arrange a modification of any term of a home loan, deed of trust, or mortgage; (C) obtain any forbearance from any mortgage loan holder or servicer; (D) exercise any right of reinstatement of any mortgage loan; (E) obtain, arrange, or attempt to obtain or arrange any extension of the period within which the owner of property sold at foreclosure may cure his or her default or reinstate his or her obligation; (F) obtain any waiver of an acceleration clause contained in any promissory note or contract secured by a deed of trust or mortgage on a residence in foreclosure or contained in that deed of trust; (G) obtain a loan or advance of funds that is connected to the Consumer's home ownership; (H) avoid or ameliorate the impairment of the Consumer's credit record credit history, or credit rating that is connected to the Consumer's home ownership; (I) save the Consumer's residence from foreclosure; (J) assist the Consumer in obtaining proceeds from the foreclosure sale of the Consumer's residence; (K) obtain or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure; (L) obtain or arrange a refinancing, recapitalization, or reinstatement of a home loan, deed of trust, or mortgage; (M) audit or examine a Consumer's mortgage or home loan application; (N) obtain, arrange, or attempt to obtain or arrange any extension of the period within which the renter of property sold at foreclosure may continue to occupy the property; or (O) the purchase of a residence and subsequent lease of that residence back to the original homeowner with the intent to forestall or avoid foreclosure. The foregoing shall include any manner of claimed assistance, including, but not limited to, debt, credit, budget, or financial counseling; receiving money for the purpose of distributing it to creditors; contacting creditors or servicers on behalf of the Consumer; and giving advice of any kind with respect to filing for bankruptcy.

### INJUNCTIVE RELIEF

3. Respondent shall not knowingly misrepresent, conceal,

suppress and/or omit any material fact in connection with the purchase or sale of any real estate within the State of New Jersey, and shall comply with all applicable State and/or Federal laws, rules and regulations as now constituted or as may hereafter be amended, including, but not limited to, the CFA or the New Jersey Civil RICO Act.

4. Respondent shall not engage in any unfair or deceptive acts or practices in the conduct of any business and shall comply with such State and/or Federal laws, rules and regulations as now constituted or as may hereafter be amended, including, but not limited to, the CFA, the Licensed Lenders Act, the Licensed Lenders Regulations, the RMLA, the RMLA Regulations, and all other applicable regulations of the NJDOBI.

5. Respondent is permanently enjoined from engaging in debt adjustment and mortgage loan modification or foreclosure relief services in or from New Jersey, and permanently enjoined from the advertisement of debt adjustment, mortgage loan modification or foreclosure relief services in or from New Jersey.

#### SETTLEMENT AMOUNT

6. The Parties hereto have agreed to a settlement of the Action as to the Respondent in the amount of Five Hundred Thousand and Zero Dollars (\$500,000.00) (the "Settlement

Amount"), which is apportioned as follows:

a) Restitution in the amount of Thirty Thousand and Zero Dollars (\$30,000.00);

b) Penalties in the amount of Four Hundred Fifty Thousand and Zero Dollars (\$450,000.00); and

b) Reimbursement of investigative costs in the amount of Twenty Thousand and Zero Dollars (\$20,000.00).

7. The Parties hereby acknowledge that of the Settlement Amount, Fifty Thousand and Zero Dollars (\$50,000.00) is due and owing as of July 15, 2010. Respondent shall remit to the Division an initial payment in the amount of Five Thousand Dollars (\$5,000.00) on or before July 15, 2010. Payment of this portion of the Settlement Amount shall be tendered in certified funds made payable to "New Jersey Division of Consumer Affairs" and forwarded to:

Jennifer Micco, Supervising Investigator  
Office of Consumer Protection  
Division of Consumer Affairs  
124 Halsey Street - 7<sup>th</sup> Floor  
P.O. Box 45025  
Newark, New Jersey 07101

8. Respondent may remit to the Division, at the address above, any of the remaining portion of the unsuspended settlement amount, Forty Five Thousand Dollars (\$45,000.00) at any time on or after July 15, 2010.

9. For a period of ten (10) years from the Effective Date, the penalty portion of the Settlement Amount, Four Hundred Fifty Thousand Dollars (\$450,000.00) shall be suspended and automatically vacated at the end of that period, provided:

a) Respondent complies in all material respects with the terms and conditions set forth in this Consent Order; and

b) Respondent does not engage in any acts or practices in violation of the CFA, the New Jersey Civil RICO Act, the Licensed Lenders Act, and/or the Licensed Lenders Regulations.

10. Upon tendering any payment, Respondent shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived there from shall inure entirely to the benefit of the Plaintiffs pursuant to the terms herein.

11. The Division has relied on the representations made by Respondent regarding his conduct and financial gain in connection with his participation in the JBW Activities and the Thirty-Six Mortgage Loans. If the Division determines that any material representation made by Respondent in this regard was false in any respect, it may, upon prior written notice to Respondent, set aside this Consent Order, seek sanctions for violation hereof, and/or pursue any and all claims the Division may have against

Respondent. In such event, Respondent shall be precluded from asserting any statute of limitation defenses.

12. In the event Respondent fails to comply with the terms and conditions of this Consent Order, the Division shall provide Respondent with the specific details of the alleged noncompliance and Respondent shall be afforded a reasonable period within which to cure any such noncompliance. In the event of Respondent's failure to cure any such noncompliance, the Division may move on notice or by Order to Show Cause to have a Judgment entered for the suspended portion of the Settlement Amount, which the Respondent shall have the right to oppose. The Division (or designated representative) shall have the authority to enforce the provisions of this Consent Order, or to seek sanctions for violations hereof, or both.

#### COOPERATION

13. As a material condition of this Consent Order, the Respondent shall fully and promptly cooperate with the Division and/or its representatives in court, administrative proceedings, settlement negotiations, any preparations therefore, and any investigations regarding the subject matter of the Investigation. Such cooperation shall include, without limitation and without subpoena:

- a) Voluntary production of all documents or other tangible evidence requested which has not already been produced

to the Division;

- b) Voluntary and prompt attendance at all proceedings at which the Respondent's presence and/or testimony is requested by the Division, where the Respondent shall give voluntary forthright and complete testimony;
- c) Voluntary, forthright and complete responses to all inquiries from the Division to the Respondent; and
- d) Diligent, reasonable and good faith efforts to assist any Consumer who previously owned a property listed in Exhibit A in reacquiring title to said property.

RELEASE

14. In consideration of the payments, undertakings, mutual promises and obligations provided for in this Consent Order, and expressly conditioned on Respondent remitting the Settlement Amount as required herein, the Division hereby agrees to release Respondent from any and all civil and administrative claims which the Division brought or could have brought prior to the Effective Date against Respondent for violations of the CFA or the New Jersey Civil RICO Act in connection with his participation in the JBW Activities and the Thirty-Six Mortgage Loans specifically addressed by this Consent Order (the "Released Claims").

15. Notwithstanding any term of this Consent Order, the following do not comprise Released Claims: (a) private rights of action by Consumers against the Respondent; (b) actions to enforce this Consent Order; or (c) any claims against Respondent by any other agency or subdivision of the State.

GENERAL PROVISIONS

16. This Consent Order is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed hereby.

17. This Consent Order shall be governed by, and construed and enforced in accordance with, the laws of this State.

18. This Consent Order contains the entire agreement among the Parties, and shall be modified only by a written instrument signed by or on behalf of Division and Respondent.

19. Except as otherwise explicitly provided for in this Consent Order, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

20. The monetary relief in this Consent Order is imposed pursuant to the police and regulatory powers of the State of New Jersey for the enforcement of the law and the protection of the public welfare, and is not intended to constitute a debt which may be limited or discharged in a bankruptcy proceeding.

21. If any portion of this Consent Order is held invalid or unenforceable by operation of law, the remaining terms thereof shall not be affected.

22. This Consent Order shall be binding upon the Parties and their successors in interest. In no event shall assignment of any right, power or authority under this Consent Order avoid

compliance herewith.

23. Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Consent Order may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Consent Order.

#### COMPLIANCE WITH ALL LAWS

24. Except as provided in this Consent Order, no provision herein shall be construed as:

a) Relieving Respondent of his obligations to comply with all State and Federal laws, regulations or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by any such laws, regulations or rules; or

b) Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Respondent pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Respondent may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

#### NOTICES UNDER THIS SETTLEMENT

25. Until such time as the Respondent's obligations are fulfilled under this Consent Order, Respondent shall promptly advise the Division's counsel of the address of his residence, whether in the United States or abroad, should that address differ from his residence as of the Effective Date hereof.

26. Except as otherwise provided herein, any notices or other documents required to be sent to the Parties pursuant to this Consent Order shall be sent by any nationally recognized courier service that provides for tracking services and identification of the person signing for the documents. The notices and/or documents shall be sent to the following addresses:

For the Division:

Bureau Chief  
Division of Consumer Affairs  
State of New Jersey  
Office of the Attorney General  
Department of Law and Public Safety  
124 Halsey Street - 7<sup>th</sup> Floor  
P.O. Box 45028  
Newark, New Jersey 07101

For the Respondent:

James B Wilson  
23 Glasgow Rd  
Williamstown, NJ 08094

IT IS ON THE 19<sup>th</sup> DAY OF July 2010 SO ORDERED.

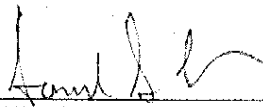
PAULA T. DOW  
ATTORNEY GENERAL OF NEW JERSEY

By:   
THOMAS R. CALCAGNI, ACTING DIRECTOR  
DIVISION OF CONSUMER AFFAIRS

CONSENTED TO AS TO FORM, CONTENT  
AND ENTRY OF ORDER:

FOR THE DIVISION:

PAULA T. DOW  
ATTORNEY GENERAL OF NEW JERSEY

By:   
SAMUEL CORNISH  
Deputy Attorney General  
Affirmative Litigation Section

Dated: 7/26/10

124 Halsey Street - 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, New Jersey 07101  
Telephone: (973) 648-2500

FOR THE RESPONDENT:

JAMES B. WILSON

By:   
James B. Wilson

Dated: 6/30/2010

By: \_\_\_\_\_

Dated: \_\_\_\_\_