STATE OF NORTH CARO	DLINA FILED	IN	THE GENERAL COURT OF JUSTICE
COUNTY OF WAKE	2013 SEP 12 PM 4	SUPERIOR COURT DIVISION 25	
	WAKE CO., C.S		FILE NO.: 012CV013284
STATE OF NORTH CAROLINA, ex rel. ROY COOPER, Attorney General,))))	
Plaintiff,)	
v.)	CONSENT JUDGMENT
TIDEWATER FINANCIAL SOLUTIONS, LLC, and ELAINE M. MADEJ, individually and in her capacity as Manager of Tidewater Financial Solutions, LLC,)))	
Defendants.))	

THIS CAUSE came on before the undersigned judge for entry of a Consent Judgment. It appears to the Court that the parties have resolved the matters in controversy between them and have consented to the terms of this judgment. The Court, with the consent of the parties, makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. The State filed its Complaint in this cause on 21 September 2012. The State alleged in its Complaint that the defendants engaged in violations of North Carolina's Debt Adjusting Act, N.C. Gen. Stat. § 14-423, et seq., by, among other actions, collecting illegal advance fees from distressed homeowners for foreclosure assistance and mortgage loan modification services. Pursuant to N.C. Gen. Stat. § 14-425, violations of the Debt Adjusting Act also constitute unfair and deceptive practices in violation of N.C. Gen. Stat. § 75-1.1.

- 2. The Debt Adjusting Act, N.C. Gen. Stat. § 14-423, et seq., prohibits the practice of debt adjusting in this State. Included within the definition of "debt adjusting" is the practice of "foreclosure assistance" or "debt settlement" where fees are charged "in advance of the debt settlement having been completed or in advance of all the services agreed to having been rendered in full." N.C. Gen. Stat. § 14-423(2). A violation of the Debt Adjusting Act is a criminal misdemeanor, N.C. Gen. Stat. § 14-424. The statute, N.C. Gen. Stat. § 14-425, also authorizes the Attorney General to obtain injunctive relief, consumer refunds, and attorneys' fees.
- 3. The defendants agreed to the terms of a Consent Order which was entered by this Court on 23 October 2012, in resolution of the State's Motion for a Preliminary Injunction. Said Consent Order restrained the defendants, *inter alia*, from offering debt adjusting or loan modification services in this State and from collecting advance fees for such services in violation of North Carolina law.
- 4. The defendants have provided financial information to the State, including tax returns, and the defendants warrant that the financial information that they have provided is true and accurate and fully reflects their financial condition. The defendants further represent that they have minimal assets with which to pay all the State's claims.

CONCLUSIONS OF LAW

- 1. The Court has jurisdiction over the parties and subject matter.
- 2. Entry of this Consent Judgment is just and proper.

- 3. The parties have agreed to resolve their differences by this agreement. The Court approves of the terms of the parties' agreement and adopts them as its own determination of their respective rights and obligations and for the entry of this Consent Judgment.
- 4. From the affidavits and record in this case, the State has made a sufficient showing to support its allegations and the entry of this judgment. The defendants consent to the entry of the judgment to voluntarily and fully resolve the matter without any admission of intentional wrongdoing.

BASED ON THE FOREGOING and the record herein, the Court concludes that good and sufficient cause exists for entry of this Consent Judgment and permanent injunction pursuant to N.C. Gen. Stat. §§ 14-425 and 75-14.

IT IS THEREFORE ORDERED that the defendants, their officers, members, agents, employees, and all persons acting in concert with them are permanently enjoined from:

- (1) Advertising, soliciting, or entering into contracts for the purpose of, or engaging in the provision of, loan modification services, foreclosure assistance services, or any other debt adjusting services, in violation of the Debt Adjusting Act, N.C. Gen. Stat. § 14-423, et seq.;
- (2) Collecting or receiving any advance fees or other consideration from consumers for loan modification services, foreclosure assistance services, including for any related services or reports, and for any other debt relief services, in violation of the Debt Adjusting Act, N.C. Gen. Stat. 14-423, *et seq.*, and 12 C.F.R. Part 1015;

(3) Engaging in unfair or deceptive practices in the offering or conduct of any services related to debt adjusting, loan modification, foreclosure assistance, or any other debt relief services; and

(4) Engaging in any of the foregoing activities or practices set forth in paragraphs (1) through (3) above, whether directly or indirectly, individually, or in affiliation with any other parties.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the plaintiff State of North Carolina, pursuant to N.C. Gen. Stat. §§ 14-425, 75-1.1 and 75-15.1, shall have and recover of the defendants Tidewater Financial Solutions, LLC and Elaine M. Madej, jointly and severally, the principal sum of EIGHT THOUSAND TWO HUNDRED DOLLARS (\$8,200.00), paid to the North Carolina Department of Justice within SIX (6) months of the entry hereof, and which shall be applied to consumer restitution, the State's attorney's fees, investigative costs, and for consumer protection or enforcement purposes, in the discretion of the Attorney General. Priority in the payment of restitution shall be given to those consumers who filed complaints with the Attorney General's Office or submitted affidavits in this cause.

IT IS FURTHER ORDERED that, if any defendant engages in a material violation of any injunctive or payment provision of this Consent Judgment a civil penalty of not less than thirty thousand dollars (\$30,000.00) shall be imposed pursuant to N.C. Gen. Stat. §§ 14-425 and 75-15.2.

This the $\frac{12}{2}$ day of $\frac{2}{3}$, 2013.

Superior Court Judge

State of North Carolina ex rel. Roy Cooper, Attorney General v. Tidewater Financial Solutions, LLC and Elaine M. Madej 12 CV 13284 (Wake County)

CONSENTED TO:

STATE OF NORTH CAROLINA ATTORNEY GENERAL ROY COOPER

By:

M. Lynne Weaver

Date

Assistant Attorney General

Special Deputy

TIDEWATER FINANCIAL SOLUTIONS, LLC

By:

Elaine M. Madej, Manager

Date

ELAINE M. MADEJ

By:

Elaine M. Madej

Date

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