

**STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS**

**NOTICE OF VIOLATION AND OFFER OF SETTLEMENT
DEBT ADJUSTERS**

November 24, 2009

VIA REGULAR AND CERTIFIED MAIL

In the Matter of:

AFFORDABLE FINANCE, L. L. C
c/o **ROBERT LUCARELLY**, Registered Agent

The Office of Consumer Protection of the New Jersey Division of Consumer Affairs (the "Division") is charged with enforcement of the Consumer Fraud Act, **N.J.S.A. 56:8-1 et seq.** (the "CFA"). The Division has reviewed information concerning commercial practices conducted by Affordable Finance, L. L. C. ("Respondent" or "you") which maintains an office located at 5 Professional Circle in Colts Neck, NJ 07722. Specifically, the information reviewed included a contract ("Contract") and a solicitation ("Solicitation"), concerning a service in which you act as an intermediary between a debtor and creditors to renegotiate or modify loan terms. The information reviewed also included proof of payment ("Proof of Payment") for your services in the amount of \$1,695.00. An Investigator's Certification establishing these facts is attached hereto. See Certification of Jared O'Conne ("O'Conne Cert.").

N.J.S.A. 56:8-2 prohibits the act, use or employment by any person of any unconscionable commercial practice in connection with the sale or advertisement of merchandise, which includes the advertisement, offering and sale of debt adjustment services. The advertisement and sale of services by a person without being licensed to conduct such services constitutes an unconscionable commercial practice in violation of the CFA.

Pursuant to **N.J.S.A. 17:16G-2a**, no person other than a nonprofit social service agency or nonprofit consumer credit counseling agency shall act as a debt adjuster. Moreover, pursuant to **N.J.S.A. 17:16G-2b**, it is unlawful for any nonprofit social service agency or nonprofit consumer credit counseling agency to act as a debt adjuster without first obtaining a license from the Commissioner of the New Jersey Department of Banking and Insurance ("DOBI"). This statute defines debt adjuster to be a person who either (a) acts or offers to act for consideration as an intermediary between a debtor and his creditors for the purpose of settling, compounding, or otherwise altering the terms of payment of any debts of the debtor, or (b) who, to that end, receives money or other property from the debtor, or on behalf of the debtor, for payment to, or distribution among, the creditors of the debtor. See **N.J.S.A. 17:16G-1.c**. A diligent search has revealed that Respondent is not licensed as a debt adjuster. See O'Conne Cert.

A review of the Contract, Solicitation and Proof of Payment demonstrates that Respondent had engaged in an unconscionable commercial practice and violated the CFA by selling debt adjustment services without being licensed as a debt adjuster. These CFA violations provide the basis for the Director of the Division to assess penalties, pursuant to N.J.S.A. 56:8-13, order payment of investigative costs and attorneys fees and costs of suit, pursuant to N.J.S.A. 56:8-11 & 19, order restoration of fees unlawfully acquired, N.J.S.A. 56:8-15, and order you to cease and desist from engaging in this unlawful activity, N.J.S.A. 56:8-18.

While the Division has preliminarily concluded that there is sufficient basis to initiate an enforcement action against you, it has determined that it will first offer you an opportunity to settle this matter and thereby avoid the initiation of disciplinary proceedings.

IF YOU DO NOT CONTEST THE CHARGES and wish to avail yourself of this settlement opportunity, within fifteen (15) days from the date of this Notice you should sign and return the enclosed Certification and agree to the following:

1. Cease and desist from advertising, offering and selling debt adjustment services;
2. Pay a penalty in the amount of \$5,000.00, pursuant to N.J.S.A. 56:8-13; and
3. Pay restitution in the amount of \$1,695.00, pursuant to N.J.S.A. 56:8-15.

If these sums totaling \$6,695.00 are remitted along with your signed Certification, you need not do anything further.

IF YOU DO NOT CONTEST THE CHARGES but want to present information to Division representatives about the mitigating circumstances in your case that you believe may persuade the Division to reduce the civil penalty in this matter, you may request an informal **Mitigation Conference**. If you request a mitigation conference, the conference date is January 6, 2010 at 1:00 p.m. Alternatively, you may send written documentation to the Division concerning any mitigating circumstances which may persuade the Division to reduce the penalty. In order to elect either of these options, you must return the enclosed Certification within fifteen (15) days from the date of this Notice. The Division will then review this material and respond to you.

IF YOU CONTEST THE CHARGES, and do not wish to settle the matter consistent with the terms set forth above, you may request a formal **Administrative Hearing** by returning the enclosed Certification within fifteen (15) days from the date of this Notice. In that event, this Notice will serve as notice of the charges against you. You should be aware that in making its final decision, the Division may, if unlawful activity has been proven, order penalties and remedies other than those offered in this letter. Specifically, you may be ordered to: pay civil penalties in an amount not more than \$10,000.00 for the first violation and not more than \$20,000.00 for a second or subsequent violation, pursuant to N.J.S.A. 56:8-13; pay costs to the State, restore to any person aggrieved by the unlawful act or practice any money or property, real or personal, acquired by means of the

unlawful act or practice, and/or cease and desist from violating the CFA pursuant to N.J.S.A. 56:8-11, 15, 18 & 19.

Before a determination is made with regard to whether a hearing will be conducted and whether the matter will be heard before the Director of the Division of Consumer Affairs or referred to the Office of Administrative Law, a **pre-hearing conference** will be held. If you request a hearing, your pre-hearing conference has been scheduled on January 6, 2010 at 1:00 p.m. **You may be accompanied by an attorney.** Should you have any questions regarding this procedure, or to seek an adjournment of this date, please contact Investigator Louise Garrity, who may be reached at (973) 273-8049.

Your attendance at this pre-hearing conference is **mandatory** and you must show evidence of the legal and factual basis on which you contest the charges. Any failure to appear, without a satisfactory explanation, may result in an order barring you from raising certain defenses at the hearing (N.J.A.C. 1:1-14). The purpose of this pre-hearing conference is to discuss the issues in the matter and the defenses which you may wish to raise. You should be prepared to discuss the evidence you would propose to offer at a hearing. It may be helpful if you bring with you to the pre-hearing conference a copy of any documentation that supports your position. If the Division determines that there are no material facts in dispute, you will have an opportunity to submit legal arguments and any documentation that may be relevant to the ultimate disposition of the case, if the charges are sustained. If there are material facts in dispute, an evidentiary hearing will be scheduled. In these proceedings, you, either personally or with the assistance of an attorney, will have an opportunity to respond to the charges and submit evidence and present testimony as may be necessary in order for the Division to make a final determination concerning the charges of unlawful activity.

IF YOU FAIL TO RESPOND to this Notice within fifteen (15) from the date of its issuance, the settlement offer will be withdrawn, and you will be deemed in default. The allegations against you will be deemed uncontested. Thereafter this Notice and the underlying proofs may be reviewed by the Director of the Division and a **Final Order on Default** ("Order") may be issued. Once the Order has been entered, your failure to pay any penalties within the time allowed will result in the filing of a **Certificate of Debt**. Any subsequent violation of the Order with a cease and desist provision is punishable by a \$25,000.00 penalty, pursuant to N.J.S.A. 56:8-18. Service of the Order will be deemed effective if sent by certified mail to your last known mailing address.

Office of Consumer Protection

By: Laurie Goodman
Laurie Goodman
Acting Executive Director
Office of Consumer Protection

ANSWERING CERTIFICATION

I, _____, hereby acknowledge that I have read and reviewed the Division's Notice dated November 24, 2009 regarding allegations of violations of the Consumer Fraud Act ("CFA"), **N.J.S.A. 56:8-1 et seq.**

PLEASE CHECK ONE:

_____ **I DO NOT CONTEST THE CHARGES** and acknowledge the conduct which has been charged and **agree** to:

1. Cease and desist from advertising, offering and selling debt adjustment services;
2. Pay a penalty in the amount of \$5,000.00, pursuant to **N.J.S.A. 56:8-13**; and
3. Pay restitution in the amount of \$1,695.00, pursuant to **N.J.S.A. 56:8-15**.

If the payment of **\$6,695.00** is remitted along with your signed Certification, you need not do anything further.

I understand and acknowledge that I am ordered to cease and desist from acting as a Debt Adjuster unless and until I am licensed with the DOBI. I am also aware that the action taken against me by the Division is a matter of public record, and that the Division's Notice and this Certification are public documents. I am enclosing a bank check or money order in the sum of **\$6,695.00** made payable to the "New Jersey Division of Consumer Affairs" and mailing or delivering it to:

New Jersey Department of Law and Public Safety
Division of Consumer Affairs
Case Management Tracking Unit
124 Halsey Street
P.O. Box 45025
Newark, New Jersey 07101
ATTN: Van Mallet

Dated: _____

By: _____
Signature

OR

_____ **I DO NOT CONTEST THE CHARGES** and hereby waive any rights I may have to a hearing in this matter in order to defend myself against any charges, **BUT** I ask the Division to consider mitigating circumstances in my case before rendering its final decision.

_____ I request a **mitigation conference** to present information to Division representatives. I understand that the conference is scheduled for January 6, 2010 at 1:00 p.m.

_____ I am submitting **written documentation concerning mitigation circumstances**; I understand that the Division will consider this material before rendering a final decision.

I understand that, if, after considering the mitigation evidence presented, the Division is not persuaded that any reduction in the amounts set forth above and in the notice is warranted or that any of the other terms or conditions should be modified, the following terms may be ordered and I will be obligated to:

1. Cease and desist from advertising, offering and selling debt adjustment services;
2. Pay a penalty in the amount of \$5,000.00, pursuant to N.J.S.A. 56:8-13; and
3. Pay restitution in the amount of \$1,695.00, pursuant to N.J.S.A. 56:8-15.

If a modification in these terms is accepted by the Division, I will be notified of the amounts that I must pay. I am also aware that the action taken against me by the Division is a matter of public record, and that the Division's Notice and this Certification are public documents. Failure to comply may subject me to further enforcement proceedings and any failure to make a required payment will result in the filing of a Certificate of Debt.

Dated: _____

By: _____
Signature

OR

_____ **I CONTEST THE CHARGES** and request a formal **Administrative Hearing**. I am submitting documents and additional evidence supporting my request for this hearing. I understand that I am required to attend a pre-hearing conference at which the issues in this matter will be discussed. I will, thereafter, be advised of the time, date and place for the formal hearing if a determination has been made that there are material facts in dispute. I am aware that I may be represented by an attorney and that at the time of the hearing I may offer testimony, documentation and legal argument relevant to the charges. I understand that in making the final decision, the Director may, if unlawful activity has been proven, assess civil penalties in an amount greater than that herein offered in the Division's Notice and may order such other remedies as may be deemed appropriate. I am also aware that this proceeding is a matter of public record and that the Division's Notice and this Certification are public documents.

Dated: _____

By: _____
Signature

CERTIFICATION

Affordable Finance, L. L. C.
5 Professional Circle
Colts Neck, NJ 07722

I, Jared O'Cone, being of full age, do hereby certify as follows:

1. I am employed as an Investigator by the Office of the Attorney General, Division of Consumer Affairs, Office of Consumer Protection, 124 Halsey Street, Newark, NJ 07101;
2. I have made a diligent inquiry with the New Jersey Department of Banking and Insurance. This review has indicated that Affordable Finance, L. L. C. is not registered with the Department as a Debt Adjuster;
3. Attached as "**Exhibit A**" is a true copy of a contract provided to the Division of Consumer Affairs concerning Respondent's debt adjustment services;
4. Attached as "**Exhibit B**" is a true copy of Respondent's solicitation to act as a debt adjuster;
5. Attached as "**Exhibit C**" are true copies of Proofs of Payments for Respondent's services.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: November 24, 2009

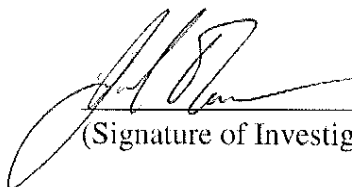

(Signature of Investigator)

EXHIBIT A

(Contract)

AGREEMENT TO PROVIDE SERVICES

The undersigned client (referred to as "Client", whether one or more) employs Affordable Finance, LLC (referred to as "Company"), and Leonard H. Adoff, Esq., P.C. (referred to as "Attorney") to act as Client's agent in assisting client with problems resulting from mortgage delinquency and/or foreclosure to the client's primary residence. Company and Attorney agree to act as such agents faithfully and to the best of their professional ability to avoid the loss of possession of the mortgagee's home through foreclosure.

1. **APPLICATION:** Client represents that the information given to Company and Attorney relative to the mortgage delinquency and/or foreclosure situation is complete and accurate, including reasons for delinquency, mortgagee's name, account number, as well as the terms and status of the mortgage indebtedness and financial information regarding personal household income and expenditures.

2. **SOLUTION:** "Solution" as used in this Work Agreement is defined as the act, method, or process of solving a problem; the answer to a problem, explanation, clarification, etc. Company and Attorney will attempt to prevent the loss of Client's home through foreclosure through several methods. For example, where applicable, a resolution with the use of an informal forbearance, formal forbearance, special forbearance, partial claim, interest credit, extension, modification, recasting, refunding, pre-foreclosure sale, compromise sale, deed-in-lieu, rescinding a foreclosure, and, only if in the interest of the Client, any other program as may become available including but not limited to listing the property and negotiating a short sale.

3. **FEES:** Client shall pay to Company the sum of \$ 1500.00 as compensation for services performed in connection with Client's delinquent mortgage. Said fee represents ONE months mortgage payment. Any work done by Attorney on behalf of Company and Client shall be paid from said sum for services covered by this amount, which is all expenses incurred by Company in effecting a Solution without requiring formal court intervention. **The fee is due and payable at the time of execution of this Agreement. In the event, based upon our preliminary inquiry, that we will not be able to assist you in obtaining loan modification options, we will refund 100% of your mortgage payment portion of the fee. The application fee shall be used for the preliminary inquiry fee and is non-refundable.**

The amount earned in an initial consideration of a Solution is the initial sum amount stated above. Any additional costs to Client are earned at \$150.00 per hour as billed by the Attorney. For example, if an approved Solution is received from mortgagee, investor, government and/or insurer and Client wishes to request another Solution and/or counter proposal, then additional costs will start beyond the initial sum fee. Additionally, if case is older than one hundred and twenty (120) days from the execution of this Agreement to Provide Services, the future fee will be based on an hourly rate after initial 120 days has lapsed. The amount owed will be the initial sum amount stated above or the new calculated amount, whichever is greater.

4. **USE OF LEGAL COUNSEL:** "Use of Legal Counsel" as used in this Work Agreement is defined as additional legal work needed by the client other than those services provided as part of the fees provision in paragraph 3. Use of legal counsel may be appropriate in many situations, including without limitation, where it appears an injunction may be necessary to prevent a foreclosure, where there may be violations of law, regulations or procedures, where there may be irregularities in the procedures used by Client's lender or where the Client may need counseling on bankruptcy. Client understands that bankruptcy solutions through referral to legal counsel are the last alternative that Company and/or Attorney will recommend to Client.

Client understands and acknowledges having been informed that Company does not offer any legal advice nor does Company screen Client's situation for a need for legal counsel. Any legal advice received by Client in this loss mitigation process is from Attorney only. Company encourages Client to make an independent analysis about whether to seek legal counsel. CLIENT ACKNOWLEDGES AND AGREES THAT COMPANY SHALL NOT HAVE ANY LIABILITY FOR ANY FAILURE TO RECOMMEND LEGAL SERVICES TO CLIENT. CLIENT UNDERSTANDS THAT LEGAL COUNSEL REFERRAL TO ATTORNEY WILL BE SUBJECT TO A LEGAL FEE CHARGED BY THE ATTORNEY FOR SERVICES SEPARATE FROM FEES CHARGED BY LOSS MITIGATION. CLIENT UNDERSTANDS THAT REFERRAL TO LEGAL COUNSEL DOES NOT PROHIBIT CLIENT FROM SEEKING AN ATTORNEY OF THEIR CHOICE.

5. RESPONSIBILITIES: Client agrees to the following and understands that failure to perform the Client Responsibilities as listed on the attached document will result in forfeiting all fees paid to Company and/or Attorney regardless of outcome.

6. LIABILITY: Liability of Company is limited to the money received in connection with the services rendered. The exclusive remedy for Client under this Agreement is the reimbursement of fees paid to Company. All other remedies, including without limitation, incidental and consequential damages, are excluded. COMPANY DISCLAIMS, AND CLIENT WAIVES, ALL OTHER WARRANTIES, WHETHER EXPRESSED OR IMPLIED, WITHOUT LIMITATION. Client acknowledges and agrees that Company and Attorney makes no promise, covenant, warranty or guaranty of any result or that Client will retain his/her property. Client understands that Company and/or Attorney undertake only to perform services to alleviate those matters as set forth in this Agreement and attachments, and in no way undertakes to perform legal or other services unless Attorney, or any other attorney, is hired to do so.

7. DISCLOSURE OF INFORMATION: Client authorizes Company and/or Attorney to furnish any and all information, including any budget analysis, contractual debts, etc. to any mortgage company, agencies, or individual in connection with Client's mortgage situation to aid Company and/or Attorney in representing Client.

8. ENFORCEMENT OF AGREEMENT FOR COLLECTION: Client acknowledges and agrees that if this account is placed in the hands of an attorney and/or collection agency for collection, the client will be obligated for attorney's fees of 33.33% of amount owed, collection fees and court costs incurred in connection with such collection. Client shall also pay all costs, including reasonable attorney's fees, court costs and collection costs without litigation or other formal proceedings, expended or incurred by Company in enforcing or defending any provision of this Agreement to Provide Services or any dispute arising from or related to this agreement if Company is the prevailing or successful party in such action(s).

9. COMPANY DISCLOSURE: Client understands that Affordable Finance, LLC is a private New Jersey Limited Liability Corporation and is not affiliated with any government organization.

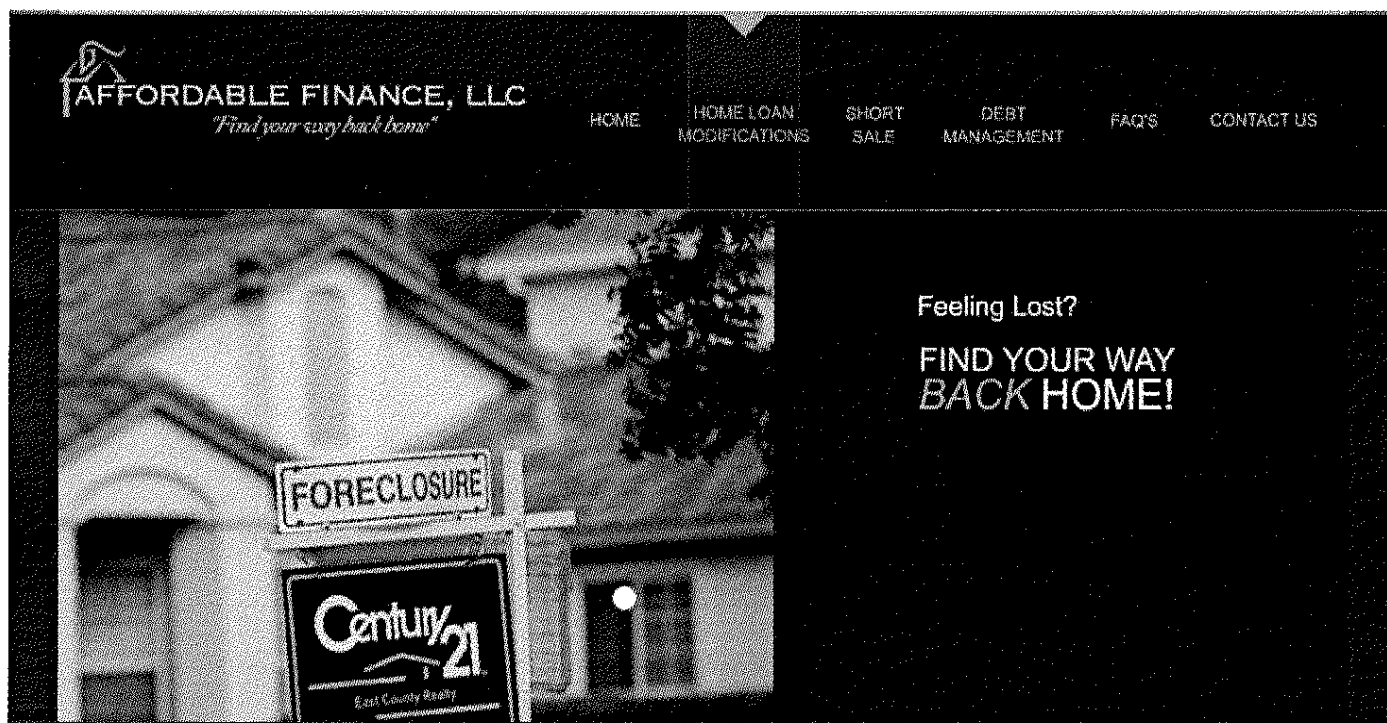
Executed this 24th of March 2009.

Kelly T. Kiny
Client Signature
Print Name:

Client Signature
Print Name:

EXHIBIT B

(Solicitation)



Feeling Lost?

**FIND YOUR WAY
BACK HOME!**

HOME LOAN MODIFICATIONS

What is a Loan Modification?

A loan modification is when the lender adjusts your current mortgage note so that you can stay in your home and are no longer in danger of foreclosure. Loan modifications eliminate all of the monthly mortgage payments that you missed and simply combines this with your original mortgage, therefore your account is brought current. In addition, once your account is brought current, a loan modification can help improve your damaged credit score. Loan modifications can be done when a borrower has suffered a hardship such as an illness, divorce, loss of job, etc. (see list below)

Affordable Finance, LLC acts as a liaison between you, the homeowner, and the lender to create a better loan configuration that is affordable and mutually agreed upon. We will be in constant contact with your lender and negotiate the best restructured loan possible. We pride ourselves in our ability to find you a new, comfortable, monthly payment so that you can "Find Your Way Back Home!"

Unlike a refinance where you first must be qualified and are then obligated to pay closing costs, taxes and various other fees; a **loan modification** simply modifies your interest rate, balance of loan, delinquent fees owed, and/or term of loan. For instance, a loan modification can transform your high adjustable interest rate into a fixed rate, thereby changing your payment requirements and thus achieving a fresh new start. This is the best and only way to beat foreclosure and prevent it from reoccurring!

There are literally thousands of variations as to the types of loan modifications that we can offer depending upon your circumstances. For instance:

- ✓ Modify your interest rate (as described above)
- ✓ Implement a step rate mortgage
- ✓ Extend term of the mortgage
- ✓ Add any delinquent debt onto my mortgage
- ✓ Any combination of these or many other alternatives

As each lender is different and has varying requirements, and considering the daily industry and governmental changes, it is best that you speak with one of our Loan Modification Specialists so that together we may determine the best resolution for your specific situation:

Affordable Finance, LLC is currently servicing (but not limited to) individuals who suffered such hardships as:

- ✓ Unemployment
- ✓ Stuck in an adjustable rate
- ✓ Reduced Income
- ✓ Divorce/ Separation
- ✓ Medical Bills
- ✓ Too Much Debt
- ✓ Death of a Spouse/Family Member
- ✓ Interest rate increase on credit card
- ✓ Business Failure
- ✓ Job Relocation
- ✓ Illness
- ✓ Damage to Property
- ✓ Military Service
- ✓ Incarceration

EXHIBIT C

(Proofs of Payments)

[Sign Off](#)[Locations](#) [Mail](#) [Help](#) [En Español](#)

Accounts	Bill Pay	Transfers	Investments	Customer Service
Accounts Overview	Account Details	My Portfolio	Alerts	Open an Account

Enter keyword(s)

Transaction Details[Customer Service](#)**Transaction Details**[Print](#)[Add or Change your account
nicknames](#)**Description:** CHECKCARD 0319 AFFORDABLE FINANCE LLC COLTS NECK
NJ**Posting Date:** 03/20/2009**Amount:** \$195.00**Type:** Check Card**Account Number:****Cardholder name:** Check Card - 7002**Merchant Category:** 1**Expense Category:** Personal Service Providers**Merchant Category Code:** 7276[Return to previous screen](#)**Additional Details** [?](#)**My Description:**[Save](#) [Cancel](#)**Secure Area**[Accounts](#) • [Bill Pay](#) • [Transfers](#) • [Investments](#) • [Customer Service](#)
[Privacy & Security](#) • [Locations](#) • [Alerts](#) • [Mail](#) • [Help](#) • [Site Map](#) • [Sign Off](#)Bank of America, N.A. Member FDIC. Equal Housing Lender
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