STATE OF NORTH CAROLINA COUNTY OF WAKE WAKE CO., C.S.C. BY	
STATE OF NORTH CAROLINA, ex rel. ROY COOPER, Attorney General, Plaintiff,	<u>-</u>))))))
v.) CONSENT JUDGMENT
THE COMMUNITY MORTGAGE ASSISTANCE PROGRAM, and KOY LYNN CHIU, individually and in her capacity as Owner of The Community Mortgage Assistance Program,	,
Defendants.))

THIS CAUSE came on before the undersigned judge for entry of a consent judgment.

The Court, with the consent of the parties, finds as follows:

- 1. The Court has jurisdiction over the parties and subject matter.
- 2. The State filed its Complaint in this cause on September 21, 2012. In its Compliant, the State has alleged that the defendants have 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.
- 3. The North Carolina Debt Adjusting statute, N.C. Gen. Stat. § 14-423, et seq., prohibits the practice of debt adjusting in this State. Included within the definition of debt

- Carolina for any debt adjusting services, including loan modification services or foreclosure assistance services, or any other debt relief services;
- (3) Collecting or receiving advance fees or other consideration from North Carolina residents or from within the State of North Carolina for debt adjusting services, including loan modification services or foreclosure assistance services, or any other debt relief services;
- (4) Engaging in unfair or deceptive practices in the offering or conduct of any services related to debt adjusting, loan modification, foreclosure assistance, or any debt relief services; and
- (5) Engaging in any of the foregoing activities or practices set forth in paragraphs (1) through (4) 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 Koy Lynn Chiu and The Community Mortgage Assistance Program, jointly and severally, the principal sum of four thousand dollars (\$4,000.00) for consumer restitution, education and 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.

The principal sum of four thousand dollars (\$4,000.00) shall be paid as follows: (1) five hundred dollars (\$500.00) on or before August 31, 2013; (2) two hundred and ninety-five dollars (\$295.00) per month for eleven months, with the first payment due on or no later than October 1, 2013, and continuing monthly for eleven months up to and including August 2014; and (3) a

final payment of two hundred and fifty-five dollars (\$255.00) on or no later than September 1, 2014. Such monthly payments from October 1, 2013 through September 1, 2014 shall be due no later than the first day of each month and shall be sent so as to be received by the State no later than the fifth day of each month. All payments shall be paid by money order or by certified funds; made payable to the North Carolina Department of Justice; and sent to counsel for the State as follows:

M. Lynne Weaver Special Deputy Attorney General North Carolina Department of Justice P.O. Box 629 Raleigh, NC 27602

IT IS FURTHER ORDERED that if the defendants default or fail to make the foregoing required payments on or before the specified dates, or if any defendant engages in a material violation of the injunctive provisions of this Consent Judgment, a Confession of Judgment shall be entered against the defendants in the amount of thirty-five thousand dollars (\$35,000.00). Such Confession of Judgment will not be filed unless a defendant materially violates any injunctive provision of this Consent Judgment, or the defendants fail to tender the sum of four thousand dollars (\$4,000.00) as ordered by this Consent Judgment.

This the 12 day of 50, 2013.

Superior Court Judge

State of North Carolina ex rel. Roy Cooper, Attorney General v. The Community Mortgage Assistance Program and Koy Lynn Chiu, 12 CV 13286 (Wake County)

CONSENTED TO:

STATE OF NORTH CAROLINA ATTORNEY GENERAL ROY COOPER

M. Lynne Weaver

Date /

Special Deputy Attorney General

THE COMMUNITY MORTGAGE ASSISTANCE PROGRAM

Bv:

Koy Lyn Chiu

Date

KOY LYNN CHIU, individually, and as owner of THE COMMUNITY MORTGAGE ASSISTANCE PROGRAM

Koy Lynn Chiu

Date