

SO ORDERED

Date signed February 03, 2004



A handwritten signature in black ink, appearing to read "E. Stephen Derby", written over a horizontal line.

E. STEPHEN DERBY
U. S. BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND**

(Baltimore Division)

IN RE

ELIZABETH OLIVER,

Debtors

W. CLARKSON MCDOW, JR.
UNITED STATES TRUSTEE
REGION FOUR,

Plaintiff

v.

RAYMOND A. TUBMAN, et al.,

Defendants

BANKRUPTCY CASE NO:

03-5-2938-SD

Chapter 13

ADVERSARY PRO. NO.:

03-8041-SD

**STIPULATION AND CONSENT ORDER SETTLING COMPLAINT
OF THE UNITED STATES TRUSTEE SEEKING FINES, DISGORGEMENT
OF COMPENSATION AND AN INJUNCTION AGAINST THE DEFENDANTS
(ERIC T. WILLIAMS AND CMG CONSULTANT GROUP, INC.)**

WHEREAS, W. Clarkson McDow, Jr., is the United States Trustee ("U.S. Trustee") for Region Four, which includes the District of Maryland, and is charged with the duties set forth in 28 U.S.C. § 586; and

WHEREAS, on July 10, 2003, the U.S. Trustee filed a complaint against Raymond A.

Tubman (“Tubman”), Eric T. Williams (“Williams”), and CMG Consultant Group Inc. (“CMG”) seeking Fines, Disgorgement of Compensation And An Injunction Against The Defendants (the “U.S. Trustee’s Complaint”) for, among other things, various violations of the provisions of 11 U.S.C. § 110; and

WHEREAS, this Court has jurisdiction over this matter pursuant to, *inter alia*, 28 U.S.C. §§ 157, 1334 and 11 U.S.C. § 110. This is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The U.S. Trustee has standing to bring this action pursuant to 28 U.S.C. § 586, 11 U.S.C. § 307 and § 110. Williams and CMG were properly served with the U.S. Trustee’s Complaint; and

WHEREAS, the U.S. Trustee alleges the following: that for a fee, defendants Williams and CMG directed and assisted the debtor in this bankruptcy case to engage in a fraudulent scheme to stop an impending foreclosure sale of the debtor’s mother’s home; that in the process of executing this fraudulent scheme or artifice, Williams and CMG engaged in the unauthorized practice of law and violated numerous provisions of 11 U.S.C. § 110; and that defendants Williams and CMG, in exchange for significant fees, regularly assisted and counseled individuals in how to use the bankruptcy process in a fraudulent and illegal manner; and

WHEREAS, Williams is not licensed to practice law, nor was he employed, at the times relevant to the U.S. Trustee’s Complaint, by a licensed attorney; and

WHEREAS, Williams and CMG deny the allegations made by the U.S. Trustee in the U.S. Trustee’s Complaint; and

WHEREAS, Williams is the president and sole stockholder of CMG; and

WHEREAS, the U.S. Trustee, Williams, and CMG desire to resolve the request for relief

prayed for in the U.S. Trustee's complaint against Williams and CMG by the terms of this Stipulation and Consent Order Settling Complaint of the United States Trustee Seeking Fines, Disgorgement of Compensation and an Injunction Against the Defendants (Eric T. Williams and CMG Consultant Group, Inc.) ("Stipulation and Consent Order").

NOW, THEREFORE, the U.S. Trustee, Williams, and CMG do agree, stipulate and consent as follows:

1. The foregoing recitals are true and correct and are deemed an essential part of this Stipulation and Consent Order and all parties agree to be bound by such recitals as admissions of fact, the same as if each such recital was fully restated in this Paragraph;

2. Within fifteen (15) days after the entry of this Stipulation and Consent Order, Williams and CMG, jointly and severally, agree to pay by certified or third party check the amount of Five Hundred Dollars (\$500.00) to Elizabeth Oliver (the "Refund Check") as a partial refund of the fee paid by Ms. Oliver to CMG. Williams and CMG will effectuate this refund by mailing the Refund Check to the U.S. Trustee, Attn: Mark A. Neal, 300 West Pratt St., Suite 350, Baltimore, MD 21201 for receipt by the U.S. Trustee on or before fifteen (15) days after the entry of this Stipulation and Consent Order. The U.S. Trustee will then forward the Refund Check to Ms. Oliver;

3. Within fifteen (15) days after the entry of this Stipulation and Consent Order, Williams and CMG, jointly and severally, agree to disgorge One Thousand Dollars (\$1,000.00) by paying said amount by certified or third party check to "MVLS"¹ (the "Disgorgement Check"). Williams and CMG will effectuate this disgorgement by mailing the Disgorgement Check to the U.S. Trustee, Attn: Mark A. Neal, 300 West Pratt St., Suite 350, Baltimore, MD 21201 for receipt by the

¹ "MVLS" stands for Maryland Volunteer Lawyer Services. MVLS is a non-profit organization which provides, among other services, *pro bono* representation of indigent debtors in bankruptcy cases.

U.S. Trustee on or before fifteen (15) days after the entry of this Stipulation and Consent Order. The U.S. Trustee will then forward the Disgorgement Check to MVLS;

4. The entry of this Stipulation and Consent Order shall constitute the entry of a PERMANENT INJUNCTION, permanently enjoining Williams and CMG from:

- A. acting in any jurisdiction of the United States as a Bankruptcy Petition Preparer as defined by 11 U.S.C. § 110;
- B. accepting any fees, in any jurisdiction of the United States, for acting as a Bankruptcy Petition Preparer; and
- C. otherwise participating in any form or fashion in any jurisdiction of the United States in the rendering of legal advice, consultation, consideration, and/or preparation of any petition or document which is contemplated to be filed as or in a case under Title 11 of the United States Code;

which permanent injunction by agreement of the parties shall terminate automatically upon the issuance to Williams of a license to practice law in any State or jurisdiction.

5. Williams shall, upon the entry of this Stipulation and Consent Order, terminate all referrals to bankruptcy petition preparers and shall not recommend to any person that they transfer an ownership in property to facilitate staying a foreclosure through a bankruptcy filing, which prohibitions by agreement of the parties shall terminate automatically upon the issuance to Williams of a license to practice law in any State or jurisdiction;

6. The entry of this Stipulation and Consent Order does not constitute a finding or admission of any liability or wrongdoing on the part of Williams and / or CMG of the allegations made in the U.S. Trustee's Complaint;

7. Marc R. Kivitz is hereby appointed by defendants, CMG and Williams, as their authorized agent to receive any and all notices, or other service and/or process, in connection with the implementation and enforcement of the terms and provisions of this Stipulation and Consent

Order;

8. If Williams and /or CMG default under the terms of this Stipulation and Consent Order, the U.S. Trustee may serve, by first class mail postage prepaid, a written notice of default (the “Default Letter”) upon Marc R. Kivitz, Esquire;

9. If CMG and /or Williams have not cured all defaults indicated in a Default Letter issued by the U.S. Trustee within ten (10) days after the date of the Default Letter, the following shall occur:

- A. A Judgment in the amount of ten thousand dollars (\$10,000)² shall be automatically entered in favor of the U.S. Trustee³ and against Williams and CMG, jointly and severally; and
- B. Defendants Williams and CMG shall reimburse the U.S. Trustee for any and all costs and expenses the U.S. Trustee may incur in obtaining and/or enforcing any Judgment entered pursuant to subsection A, *supra*, including all reasonable attorneys' fees and costs;

10. If Defendants Williams and/or CMG violate the terms of the injunction entered herein, Williams and/or CMG, as the case may be, shall be sanctioned two thousand five hundred dollars (\$2,500) for each bankruptcy case in which they violated the injunction created by this Stipulation and Consent Order. This sanction shall be in addition to, and not in lieu of, any civil or criminal sanctions or other damages for which Williams and/or CMG may be liable pursuant to

² This is approximately the amount of the fines and penalties that the U.S. Trustee sought against the defendants in his Complaint.

³ Any sums recovered by the U.S. Trustee pursuant to the default provisions would be donated to Maryland Volunteer Legal Services, a local charitable organization which provides *pro bono* legal representation for indigent persons.

terms of 11 U.S.C. § 110 or any other applicable law. Defendants Williams and CMG shall reimburse the U.S. Trustee for any and all costs and expenses the U.S. Trustee may incur in securing the sanctions provided for by this paragraph, including all reasonable attorneys' fees and costs; and

11. The U.S. Trustee's complaint shall be dismissed, with prejudice, against defendants Williams and CMG only upon the entry of this Stipulation and Consent Order without the need for further Order of this Court. The entry of this Stipulation and Consent shall have no effect whatsoever on the U.S. Trustee's Complaint against defendant Tubman. Additionally, the terms, conditions, and obligations created by the entry of the Stipulation and Consent Order shall survive the dismissal of the adversary proceeding against Williams and CMG, and the dismissal, closure or other termination of this bankruptcy case.

Having reviewed the terms and conditions of this Stipulation and Consent Order and finding the terms and conditions contained herein to be reasonable, it is by the United States Bankruptcy Court for the District of Maryland, **SO ORDERED**.

SEEN AND CONSENTED TO:

/s/ Marc R. Kivitz
Marc R. Kivitz, Esq.
Federal Bar No. 02878
201 North Charles Street, Suite 1330
Baltimore, MD 21201
(410) 625-2300

Attorney for the Defendants,
Eric T. Williams and CMG Consultant Group,
Inc.

SEEN AND CONSENTED TO:

/s/ Mark A. Neal
Mark A. Neal
Assistant U.S. Trustee
Federal Bar Number 10658
300 W. Pratt Street, Suite 350
Baltimore, Maryland 21201
(410) 962-3910

Attorney for the United States Trustee
for Region Four, W. Clarkson McDow, Jr.

SEEN AND CONSENTED TO:

/s/ *Eric Williams*
Eric Williams

Individually

SEEN AND CONSENTED TO:

/s/ *Eric Williams*, President
Eric Williams, President

On behalf of Defendant CMG Consultant
Group, Inc.

I HEREBY CERTIFY that the terms of this copy of the Stipulation and Consent Order submitted to the Court are identical to those set forth in the original Stipulation and Consent Order; and that signatures represented by the /s/_____ on this copy reference the signatures of consenting parties on the original Stipulation and Consent Order.

/s/ *Mark A. Neal*
Mark A. Neal
Counsel for the U.S. Trustee

cc: Mark A. Neal
Office of the U.S. Trustee
300 West Pratt Street, Suite 350
Baltimore, Maryland 21201

Marc R. Kivitz, Esq.
201 North Charles Street, Suite 1330
Baltimore, MD 21201

Raymond A. Tubman
1 E. Chase St., #217
Baltimore, MD 21202