

**UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU**

**Administrative Proceeding
File No. 2015-CFPB-0010**

In the Matter of:

**International Land Consultants,
Inc., Rocco Toscano, Joseph
Mazzucco, James Vincent, and
James Tague**

CONSENT ORDER

The Consumer Financial Protection Bureau (Bureau) has reviewed the land-sales and development activities at the Hawks Bluff Development in Van Buren County, Tennessee (Development or Hawks Bluff) by International Land Consultants, Inc., Rocco Toscano, Joseph Mazzucco, James Vincent, and James Tague (collectively, the Respondents, as defined below) and has identified violations of the Interstate Land Sales Full Disclosure Act (ILSA), 15 U.S.C. § 1701, *et seq.* Under §§ 1053 and 1055 of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

I. Jurisdiction

1. The Bureau has subject-matter jurisdiction over this matter under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565.

II. Stipulation

2. Respondents have executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated April 30, 2015 (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondents have consented to the issuance of this Consent Order by the Bureau under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, admitting the findings of fact and conclusions of law set forth in this Consent Order.

III. Definitions

3. The following definitions apply to this Consent Order:
 - a. **“Affected Consumers”** means persons who purchased lots in Phases I, II, III, and IV of the Hawks Bluff Development in Van Buren County, Tennessee from International Land Consultants, Inc. Affected Consumers does not include the Respondents, consumers related to any of the Respondents, or any entities wholly or partially owned by any of the Respondents.
 - b. **“Effective Date”** means the date on which the Consent Order is issued.
 - c. **“Enforcement Director”** means the Assistant Director of the Office of Enforcement for the Consumer Financial Protection Bureau, or his/her delegate.

- d. **“Related Consumer Action”** means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Respondents based on substantially the same facts as described in § IV of this Consent Order.
- e. **“Respondents”** means International Land Consultants, Inc., its successors and assigns, Rocco L. Toscano, Joseph E. Mazzucco, James Vincent, and James Tague.

IV. Bureau Findings and Conclusions

- 4. Respondents were developers under 15 U.S.C. § 1701(5) and directly or indirectly offered to sell or lease lots in the Development.
- 5. From roughly 2004 through 2008, Respondents engaged in the growth, marketing, and sale of lots in the Development. Lots ranged in size from one to five acres and were priced from about \$20,000 to \$80,000. The Development is, and at all times relevant to the Bureau’s investigation has been, a “subdivision” under ILSA, 15 U.S.C. § 1701(3).
- 6. The Respondents developed a “common promotional plan,” which ILSA defines as a “plan … by a group of developers acting in concert, to offer lots for sale or lease.” *See* 15 U.S.C. § 1701(4). Under the terms of the common promotional plan Respondents agreed that Toscano and Mazzucco would handle the marketing of lots to potential purchasers, while Vincent and Tague would

manage the actual development of Hawks Bluff. Each of the Respondents directly profited from the sale of a lot in the Development.

7. Each lot sold or offered for sale at Hawks Bluff constituted a “lot” within the meaning of the regulations implementing ILSA, 12 C.F.R. § 1010.1(1)(b), and was not exempt under 15 U.S.C. § 1702 of ILSA or any subsection thereunder.

8. Respondents advertised and marketed the lots in Hawks Bluff through the mail, newspaper advertisements, the internet, trade shows, promotional dinners, phone solicitations, and “fly-and-buy” events, and used other instruments of transportation and communication in interstate commerce and the mails.

9. In marketing and selling lots at Hawks Bluff, Respondents made material misrepresentations about the roadways in Property Reports registered with the Department of Housing and Urban Development (collectively, Property Reports), dated November 2, 2004, March 25, 2005, December 15, 2005, and April 21, 2006. The Property Reports were distributed to purchasers and prospective purchasers.

10. In marketing and selling lots at Hawks Bluff, Respondents made material misrepresentations about the roadways in a Florida Public Offering Statement dated October 6, 2006. The Florida Public Offering Statement was distributed to purchasers and prospective purchasers.

11. The Property Reports and Florida Public Offering Statement

represented that all roadways in the Development had been completed and were built to county standards for approved private status. The Property Reports represented that the roads would be maintained by the seller until they were dedicated to and accepted by Van Buren County, Tennessee. But ILC has not maintained the roads, and the roads have not been accepted by Van Buren County.

12. The Respondents, directly and indirectly, knowingly made use of means or instruments of transportation or communication in interstate commerce or the mails with respect to the sales of the lots in Hawks Bluff.

13. The Respondents sold lots in Hawks Bluff, where the Property Reports associated with the lots contained false statements regarding the ongoing maintenance of the roads in the Development. These untrue statements of material fact violated ILSA, 15 U.S.C. § 1703(a)(1)(C).

14. The Respondents falsely represented to purchasers and prospective purchasers that the roads in the Development would be maintained by the seller until they were accepted by Van Buren County. The Respondents obtained money by means of these untrue statements of material fact in violation of ILSA, 15 U.S.C. § 1703(a)(2)(B).

15. In 2012, the State of Tennessee Department of Environment and Conservation prepared a corrective action plan to address violations of the Water

Quality Control Act (T.C.A. § 69-3-101 *et seq.*) caused by the roads in the Development.

16. TARE, INC. has been retained to inspect the roadways in the Development and prepare an engineering report identifying necessary repairs (Engineering Report).

V. Order

A. Conduct Provisions

17. Respondents may not violate the Interstate Land Sales Full Disclosure Act, 15 U.S.C. § 1701, *et seq.*

18. Respondents must repair the roads in the Development, consistent with the procedures outlined below, within 180 days from the Effective Date.

B. Compliance Plan

19. Within 60 days of the Effective Date, Respondents must submit to the Enforcement Director for review and determination of non-objection a comprehensive compliance plan designed to ensure that Respondents repair the roads in the Development, in a manner consistent with the Engineering Report, to the satisfaction of the Bureau (Compliance Plan). The Compliance Plan must include, at a minimum:

- a. The Engineering Report;
- b. Detailed steps for addressing the work described in the Engineering Report;

c. Specific timeframes and deadlines for implementation of the steps in the Engineering Report

20. The Enforcement Director will have the discretion to make a determination of non-objection to the Compliance Plan or direct the Respondents to revise it. If the Enforcement Director directs the Respondents to revise the Compliance Plan, the Respondents must make the revisions and resubmit the Compliance Plan to the Enforcement Director within 15 days.

21. After receiving notification that the Enforcement Director has made a determination of non-objection to the Compliance Plan, the Respondents must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan.

C. Reporting Requirements

22. Respondents must notify the Bureau of any event that may affect compliance obligations arising under this Consent Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against any of the Respondents; or a change in any of the Respondent's names or addresses. Respondents must provide this notice at least 30 days before the development or as soon as practicable after the learning about the development, whichever is sooner.

23. Within 7 days of the Effective Date, each individual Respondent must identify his email, physical, and postal addresses, including all residences.

D. Recordkeeping

24. Respondents must maintain, for at least 3 years from the Effective Date, all documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau.

E. Notices

25. Unless otherwise directed in writing by the Bureau, Respondents must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, "*In re International Land Consultants, Inc., et al.*, File No. 2015-CFPB-0010 and send them either:

- a. By overnight courier (not the U.S. Postal Service), as follows:

Consumer Financial Protection Bureau
ATTENTION: Office of Enforcement
1625 Eye Street, N.W.
Washington DC 20006; or

- b. By first-class mail to the below address and contemporaneously by email to Enforcement_Compliance@cfpb.gov:

Assistant Director for Enforcement
Consumer Financial Protection Bureau
ATTENTION: Office of Enforcement
1700 G Street, N.W.
Washington DC 20552

F. Cooperation with the Bureau

26. Respondents must cooperate fully with the Bureau in this matter and in any investigation related to or associated with the conduct described in this Consent Order. Respondents must provide truthful and complete information, evidence, and testimony. Individual Respondents must appear for interviews, discovery, hearings, trials, and any other proceedings that the Bureau may reasonably request upon 5 days written notice, or other reasonable notice, at such places and times as the Bureau may designate, without the service of compulsory process.

G. Compliance Monitoring

27. Within 14 days of receipt of a written request from the Bureau, Respondents must submit additional Compliance Reports or other requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.

28. For purposes of this section, the Bureau may communicate directly with Respondents, unless Respondents retain counsel related to these communications.

29. Respondents must permit Bureau representatives to interview any employee or other person affiliated with Respondents who has agreed to such an interview. The person interviewed may have counsel present.

30. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

H. Modification to Non-Material Requirements

31. Respondents may seek a modification to non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Enforcement Director.

32. The Enforcement Director may, in his discretion, modify any non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) if he determines good cause justifies the modification. Any such modification by the Enforcement Director must be in writing.

I. Administrative Provisions

33. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau, or any other governmental agency, from taking any other action against Respondents, except as described in ¶ 34.

34. The Bureau releases and discharges Respondents from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in § IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order

in future enforcement actions against Respondents and their affiliates, including without limitation to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.

35. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under § 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.

36. This Consent Order will terminate 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondents. If such action is dismissed or the relevant adjudicative body rules that Respondents did not violate any provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

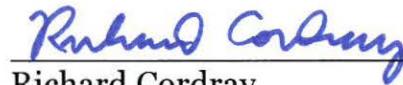
37. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.

38. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondents wherever Respondents may be found and Respondents may not contest that court's personal jurisdiction over Respondents.

39. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.

40. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing the Respondents, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 1st day of May, 2015.



Richard Cordray
Director
Consumer Financial Protection Bureau