State of New Hampshire Banking Department

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3 | In re the Matter of:

) Case No.: No. 07-078

New Hampshire Banking Department,

Order for Default Judgment

5 | Petitioner,

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)

and

Southstar Funding LLC, Southstar

Partners LLC, Peter R. Norden,

, Timbuktu Inc., Kirk Smith,

10 | and Toni Ward,

Respondent

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Default Judgment

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PROCEDURAL CASE HISTORY

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The Bank Commissioner issued a Notice of Hearing - Order to Show Cause, Cease and Desist Order ("Notice of Hearing") against all Respondents on April 4, 2007. The Notice of Hearing derived from the Order to Show Cause With Immediate Suspension and Cease and Desist Order ("Order to Show Cause") issued by the Bank Commissioner against all Respondents on April 3, 2007. The Order to Show Cause incorporates the April 2, 2007 Staff Petition issued by New Hampshire Banking Department Staff Attorney James Shepard.

The adjudicative hearing was originally to be held on Friday, April 13, 2007 at 10:00 a.m. at the New Hampshire Banking Department, located at 64B Old Suncook Road, Concord, New Hampshire 03301. Respondents, having filed a Motion for Continuance of Hearing in this matter (with New Hampshire Banking Department consent), were granted a continuance of the hearing on April 11,

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2007. The new hearing date was Friday, May 11, 2007 at 10:00 a.m. at the New Hampshire Banking Department.

Respondents Southstar Partners LLC, Peter R. Norden, Timbuktu Inc. and Toni Ward (collectively, "the Defaulting Respondents") failed to appear in person or by representative at the adjudicative proceeding. Further, the Defaulting Respondents failed to actively engage in settlement negotiations with the Petitioner, the New Hampshire Banking Department.

APPLICABLE RULE OF ADJUDICATORY PROCEEDINGS

Failure of a licensee to appear in person or by representative at the adjudicative proceeding shall constitute a default. New Hampshire Administrative Rule BAN 204.14(a).

Further, New Hampshire Administrative Rule BAN 204.14 (b) provides:

- A default for failure to appear shall constitute: (b)
 - (1) A waiver of the licensee's right to an adjudicative proceeding;
 - (2) Admission of the facts alleged; and
 - (3) Consent to the department's determination on the matter.

FINAL ORDER

It is hereby ORDERED, that:

- 1. By operation of law, a Default Judgment was entered only against Defaulting Respondents Southstar Partners LLC, Peter R. Norden,
 - , Timbuktu Inc. and Toni Ward on May 11, 2007;
- 2. By operation of law, Defaulting Respondents have waived their rights to an adjudicative proceeding;

1	3. By operation of law, the default shall constitute an admission of the
2	facts alleged in the Order to Show Cause dated April 3, 2007 and herein
3	incorporate by reference an admission of the allegations contained in
4	the April 2, 2007 Staff Petition, including
5	a. failure to maintain the financial integrity necessary to warrant
6	the public confidence;
	b. failure to fund outstanding loan commitments; and
7	c. failure to respond to regulatory hearings; and
8	4. By operation of law, the Defaulting Respondents hereby consent to the
9	New Hampshire Banking Department's determination on the matter as
LO	follows:
11	a. Defaulting Respondents' licenses are hereby revoked; and
L2	b. Defaulting Respondents shall each hereby pay an administrative
13	fine of \$2,500 for violation of Chapter 397-A, for a total of
L4	\$7,500.00 in administrative fines per Respondent.
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	SIGNED,
L6	Dated: 7/6/07 /S/
L7	PETER C. HILDRETH BANK COMMISSIONER
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