

1	In re the Matter of:	)	Case No.: 10-097
		)	
2	State of New Hampshire Banking	)	
		)	
3	Department,	)	
		)	
4	Petitioner,	)	Order to Show Cause and
5	and	)	Cease and Desist
		)	
6	Safe Harbor Debt Management, Inc., and	)	
		)	
7	Kellie Carag (a/k/a Kellie Bell),	)	
		)	
8	Respondents	)	
		)	
9		)	

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**NOTICE OF ORDER TO SHOW CAUSE AND CEASE AND DESIST ("ORDER")**

1. This Order commences an adjudicative proceeding under the provisions of RSA Chapter 397-A (including RSA 397-A:17,I and II, RSA 397-A:18,I and II, and RSA 397-A:20,IV) and RSA Chapter 541-A.

2. The Commissioner may impose administrative penalties of up to \$2,500.00 for each violation. RSA 397-A:21,IV and V.

**RESPONDENTS**

3. Safe Harbor Debt Management, Inc. ("Respondent Safe Harbor") is a corporation duly incorporated in the State of California on April 18, 2008, with a principal office location in Costa Mesa, California. Respondent Safe Harbor is not registered with the New Hampshire Secretary of State's Office. Respondent Safe Harbor is a "Person." RSA 397-A:1,XVIII.

4. The National Mortgage Licensing System & Registry ("NMLS") does not indicate that Respondent Safe Harbor has ever held a license as a mortgage broker. The New Hampshire Banking Department's ("Department") records do not indicate that Respondent Safe Harbor has ever held a New Hampshire Mortgage

1 Broker license.

2 5. Kellie Carag (a/k/a Kellie Bell) ("Respondent Carag") is listed by the  
3 Better Business Bureau as the Operations Manager of Respondent Safe Harbor.  
4 Respondent Carag is also listed on [www.linkedin.com](http://www.linkedin.com) as the Operations  
5 Manager of Respondent Safe Harbor from October 2008 to May 2010. Respondent  
6 Carag is a Control person (RSA 397-A:21,V-a), a Principal (RSA 397-A:1,XIX),  
7 and a Person (RSA 397-A:1,XVIII).

8 6. NMLS does not indicate that Respondent Carag has ever held a license  
9 as a mortgage broker. The Department's records do not indicate that  
10 Respondent Carag has ever held a New Hampshire Mortgage Broker license.

11 7. The above-named Respondents are hereinafter collectively known as  
12 "Respondents".

13 **RIGHT TO REQUEST A HEARING**

14 8. Respondents have a right to request a hearing on this Order. A hearing  
15 shall be held not later than ten (10) days after the Commissioner receives  
16 the Respondent's written request for a hearing. Respondents may request a  
17 hearing and waive the ten (10) day hearing requirement. The hearing shall  
18 comply with RSA Chapter 541-A. RSA 397-A:17 and RSA 397-A:18.

19 9. If any person fails to request a hearing within thirty (30) days of  
20 receiving this Order, then such person shall be deemed in default, and the  
21 Order shall, on the thirty-first (31<sup>st</sup>) day, become permanent, all  
22 allegations may be deemed true, and shall remain in full force and effect  
23 until modified or vacated by the Commissioner for good cause shown. RSA  
24 397-A:17,I and RSA 397-A:18.

25 10. A default may result in administrative fines as described in Paragraph

1 2 above.

2 STATEMENT OF ALLEGATIONS

3 11. On August 10, 2010, the Department received a complaint from a New  
4 Hampshire consumer ("Consumer A") against Respondents concerning residential  
5 mortgage loan modification services.

6 12. On December 15, 2009, Respondents contracted with Consumer A to  
7 negotiate a loan modification plan on Consumer A's behalf without a New  
8 Hampshire mortgage broker license, in violation of RSA 397-A:3,I.

9 13. On December 16, 2009, Respondents collected an advance fee of  
10 \$1,295.00 from Consumer A, in violation of RSA 397-A:14,IV(m).

11 14. On December 29, 2009, Respondents collected an advance fee of  
12 \$1,200.00 from Consumer A, in violation of RSA 397-A:14,IV(m).

13 15. On September 15, 2010, the Department sent a letter via U.S. Certified  
14 Mail return receipt requested to Respondents, suggesting Respondents apply  
15 for licensure with the Department, requesting documentation regarding New  
16 Hampshire consumer activity and resolution of Consumer A's complaint.

17 16. On September 24, 2010, the Department received correspondence from  
18 Respondents indicating that Respondents "have not had any New Hampshire  
19 resident cases in our 2 year history providing consumer assistance". The  
20 correspondence also indicated that Respondents would not be seeking  
21 licensure as Respondents had ceased operations as of April 1, 2010, and are  
22 not conducting any business activities of any kind in any state.

23 17. On October 8, 2010, the Department sent a letter via facsimile to  
24 Respondents, suggesting Respondents apply for licensure with the Department,  
25 requesting documentation regarding New Hampshire consumer activity and

1 resolution of Consumer A's complaint. The Department did not receive any  
2 response to this correspondence from the Respondents.

3 18. On November 19, 2010, the Department sent an email correspondence to  
4 Respondents requesting documentation regarding New Hampshire consumer  
5 activity and resolution of Consumer A's complaint.

6 19. On November 12, 2010, the Department received an email response from  
7 Respondents indicating Respondents had no additional information to provide  
8 regarding any New Hampshire consumer activity. The Respondents also  
9 indicated that the loan modification services offered to Consumer A were  
10 provided and the fees were earned.

11 20. To date, Respondents have failed to provide restitution to Consumer A  
12 in the amount of \$2,495.00.

13 21. To date, Respondents have failed to provide the information requested  
14 by the Department, in violation of RSA 397-A:12,I.

15  
16 \_\_\_\_\_ /s/  
17 Ryan McFarland  
18 Hearings Examiner

Dated: September 1, 2011

18 **ORDER**

19 22. **I hereby find as follows:**

20 a. Pursuant to RSA 397-A:17,I, the facts as alleged above, if true,  
21 show Respondents are operating or have operated in violation of RSA Chapter  
22 397-A and form the legal basis for this Order;

23 b. Pursuant to 397-A:20,VI, this Order is necessary and appropriate  
24 to the public interest and for the protection of consumers and consistent  
25 with the purpose and intent of New Hampshire banking laws;

1 c. The Department finds pursuant to RSA 397-A:17,II and RSA 397-  
2 A:18,II, reasonable cause to issue an order to cease and desist; and

3 d. Pursuant to RSA 397-A:17,I and RSA 397-A:18,II, if any  
4 Respondent fails to respond to this Order and/or defaults then all facts as  
5 alleged herein are deemed as true.

6 **23. Accordingly, it is hereby ORDERED that:**

7 a. Respondents shall cease and desist from violating RSA Chapter  
8 397-A and rules or orders thereunder;

9 b. Respondents shall immediately provide the Department a list of  
10 all New Hampshire consumers for whom Respondents have residential mortgage  
11 loan modification activity and a status of those accounts. This list must  
12 include the names and contact information of the New Hampshire consumers,  
13 along with monies charged, collected and waived (if applicable). The list  
14 shall also be accompanied by all contracts, checks to and from the consumer  
15 and any other documents in the New Hampshire consumers' files;

16 c. Respondents shall show cause why the Commissioner should not  
17 enter an order of rescission, restitution, or disgorgement of profits in the  
18 amount of at least \$2,495.00 (for Consumer A);

19 d. Respondents shall show cause why an administrative fine of up to  
20 a maximum of \$2,500.00 per violation should not be imposed as follows:

21 (1). Respondent Safe Harbor:

22 Violation #1: Unlicensed mortgage broker activity (RSA  
23 397-A:3,I) - 1 count;

24 Violation #2: Collecting an Advance Fee (RSA 397-  
25 A:3,IV(m)) - 2 counts;

1 Violation #3: Failure to provide documents (RSA 397-  
2 A:12,I) - 1 count;

3 (2). Respondent Carag (as Control Person and Principal):

4 Violation #1: Unlicensed mortgage broker activity (RSA  
5 397-A:3,I) - 1 count;

6 Violation #2: Collecting an Advance Fee (RSA 397-  
7 A:3,IV(m)) - 2 counts;

8 Violation #3: Failure to provide documents (RSA 397-  
9 A:12,I) - 1 count;

10 e. Nothing in this Order:

11 (1). shall prevent the Department from taking any further  
12 administrative and legal action as necessary under New Hampshire law; and

13 (2). shall prevent the New Hampshire Office of the Attorney  
14 General from bringing an action against the above named Respondents in any  
15 New Hampshire superior court, with or without prior administrative action by  
16 the Commissioner.

17  
18 **SO ORDERED.**

19  
20 \_\_\_\_\_ /s/  
21 RONALD A. WILBUR  
22 BANK COMMISSIONER

Dated: September 1, 2011