

1 State of New Hampshire Banking Department

2 In re the Matter of: ) Case No.: 10-148  
 )  
 3 State of New Hampshire Banking )  
 )  
 4 Department, )  
 )  
 5 Petitioner, ) Order to Show Cause  
 ) and Cease and Desist  
 )  
 6 and )  
 )  
 7 Gateway Mortgage Modifications, LLC and )  
 )  
 8 Richard R. Reichert, )  
 )  
 9 Respondents )

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

11 1. This Order commences an adjudicative proceeding under the provisions  
12 of RSA Chapter 397-A (including RSA 399-D:13, I, RSA 399-D:23, I and II and  
13 RSA 399-D:25, IV) and RSA Chapter 541-A.

14 2. The Commissioner has jurisdiction to assess penalties up to a maximum  
15 fine of \$2,500.00 for each violation. RSA 399-D:24, IV and V.

16 RESPONDENTS

17 3. Gateway Mortgage Modification, LLC ("Respondent Gateway") is a  
18 Missouri Limited Liability Company with a principal office location of  
19 10822 Sunset Office Drive, Suite 225, St. Louis, MO 63127-1030.  
20 Respondent Gateway is a "Person." RSA 399-D:2, VII.

21 4. The National Mortgage Licensing System & Registry ("NMLS") indicates  
22 that Respondent Gateway has never held a license as a mortgage broker.  
23 The New Hampshire Banking Department's ("Department") records indicate  
24 that Respondent Gateway has never held a New Hampshire mortgage broker  
25 license.

1 5. Richard R. Reichert, Jr. ("Respondent Reichert") is the organizer and  
2 owner of Respondent Gateway. Respondent Reichert is a Control Person (RSA  
3 399-D:2, II-a), a Direct Owner (RSA 399-D:2, V-b) and a Principal (RSA 399-  
4 D:2, VII-a), and a Person (RSA 399-D:2, VII).

5 6. The above named Respondents shall be collectively known as  
6 "Respondents".

7 **RIGHT TO REQUEST A HEARING**

8 7. Respondents have the right to request a hearing on this Order. A  
9 hearing shall be held not later than ten (10) days after the Commissioner  
10 receives the Respondents' written request for a hearing. Respondents may  
11 request a hearing and waive the ten- (10) day hearing requirement. The  
12 hearing shall comply with RSA 541-A, RSA 399-D:13, I and RSA 399-D:23, I.

13 8. If any person fails to request a hearing within thirty (30) days of  
14 receiving this Order, then such person shall be deemed in default, and the  
15 Order shall, on the thirty-first (31<sup>st</sup>) day, become permanent, all  
16 allegations may be deemed true, and shall remain in full force and effect  
17 until modified or vacated by the Commissioner for good cause shown. RSA  
18 399-D:13, I and RSA 399-D:23, II.

19 9. A default may result in administrative fines as described in Paragraph  
20 2 above.

21 **STATEMENT OF ALLEGATIONS**

22 10. On June 23, 2009, Consumer A, a New Hampshire resident, filed a  
23 consumer complaint with the Department regarding the Respondents' business  
24 activities within the State of New Hampshire.

25 11. The Department's investigator discovered that Consumer A hired

1 Respondents in March of 2009 to obtain a mortgage loan modification without  
2 a New Hampshire Debt Adjuster license on Consumer A's behalf in violation of  
3 RSA 399-D:3,I.

4 12. Respondents required Consumer A pay an initial advanced fee of \$875.00  
5 on March 23, 2009 in violation of RSA 399-D:14, I.

6 13. Two additional payments of \$642.00 were due to be paid to Respondents  
7 by the Consumer in April of 2009.

8 14. On September 17, 2010, the Department mailed Respondents a certified  
9 letter asking Respondents to provide within (10) days of receipt a response  
10 regarding the potential unlicensed activity, a New Hampshire transaction  
11 list and a contact person. The certified letter was returned by the post  
12 office to the Department on September 27, 2010, as "undeliverable as  
13 addressed".

14  
15 \_\_\_\_\_ /s/  
16 Maryam Torben Desfosses  
Hearings Examiner

\_\_\_\_\_ April 19, 2011  
Date

17 **ORDER**

18 15. **I hereby find as follows:**

19 a. Pursuant to RSA 399-D:13,I, the facts as alleged above, if true,  
20 show Respondents are operating or have operated in violation of RSA Chapter  
21 399-D and form the legal basis for this Order;

22 b. Pursuant to RSA 399-A:25,VI, this Order is necessary and  
23 appropriate to the public interest and for the protection of consumers and  
24 consistent with the intent and purpose of New Hampshire banking laws;

25 c. The Department finds pursuant to RSA 399-D:23,II, reasonable

1 cause to issue an order to cease and desist; and

2 d. Pursuant to RSA 399-D:13,I, if Respondents fail to respond to  
3 this Order and/or defaults then all facts as alleged herein are deemed as  
4 true.

5 16. **Accordingly, it is hereby ORDERED that:**

6 a. Respondents shall cease and desist from violating RSA Chapter  
7 399-D and rules or orders thereunder;

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

16 c. Respondents shall show cause why the Commissioner should not  
17 enter an order of rescission, restitution, or disgorgement of profits and/or  
18 commissions for services rendered;

19 d. Respondents shall show cause why Respondents should not refund  
20 each of its New Hampshire consumers fees paid to Respondents which at a  
21 minimum would be \$875.00 for Consumer A;

22 e. Respondents shall show cause why back-license fees of \$500.00  
23 for debt adjuster (mortgage loan modification) activity in 2010 should not  
24 be paid to the Department;

25 f. Respondents shall show cause why an administrative fine of up to

1 a maximum of \$2,500.00 per violation should not be imposed as follows:

2 (1). Respondent Gateway:

3 Violation #1: Unlicensed activity as a Debt Adjuster (RSA  
4 399-D:3,I): 1 Count;

5 Violation #2: **Collection of an Advanced Fee** (RSA 399-D:14,I):  
6 1 Count;

7 (2). Respondent Reichert (as Direct Owner, Principal and  
8 Control person):

9 Violation #1: Unlicensed activity as a Debt Adjuster (RSA  
10 399-D:3,I): 1 Count;

11 Violation #2: **Collection of an Advanced Fee** (RSA 399-D:14,I):  
12 1 Count; and

13 h. Nothing in this Order:

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

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

20 **SO ORDERED.**

21  
22 \_\_\_\_\_ /s/  
23 ROBERT A. FLEURY  
24 DEPUTY BANK COMMISSIONER

Dated: April 20, 2011