

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 06-122
)
 3 State of New Hampshire Banking)
)
 4 Department,) Order to Show Cause
)
 5 Petitioner,)
)
 6 and)
)
 7 Neustar Financial Services Inc, and)
)
 8 Jessica Owens,)
)
 9 Respondents)

10 NOTICE OF ORDER

11 This Order commences an adjudicative proceeding under the provisions
12 of RSA Chapter 397-A and RSA Chapter 541-A.

13 LEGAL AUTHORITY AND JURISDICTION

14 Pursuant to RSA 397-A:17, the Banking Department of the State of New
15 Hampshire (hereinafter the "Department") has the authority to issue an order
16 to show cause why license revocation and penalties for violations of New
17 Hampshire Banking laws should not be imposed.

18 Pursuant to RSA 397-A:18, the Department has the authority to issue a
19 complaint setting forth charges whenever the Department is of the opinion
20 that the licensee or person over whom the Department has jurisdiction is
21 violating or has violated any provision of RSA Chapter 397-A, or any rule or
22 order thereunder.

23 Pursuant to RSA 397-A:20,IV the Commissioner may issue, amend, or
24 rescind such orders as are reasonably necessary to comply with the
25 provisions of the Chapter.

1 Pursuant to RSA 397-A:21, the Commissioner has the authority to
2 suspend, revoke or deny any license and to impose administrative penalties
3 of up to \$2,500.00 for each violation of New Hampshire banking law and
4 rules.

5 Pursuant to RSA 383:10-d, the Commissioner shall investigate conduct
6 that is or may be an unfair or deceptive act or practice under RSA Chapter
7 358-A and exempt under RSA 358-A:3,I or that may violate any of the
8 provisions of Titles XXXV and XXXVI and administrative rules adopted
9 thereunder. The Commissioner may hold hearings relative to such conduct and
10 may order restitution for a person or persons adversely affected by such
11 conduct.

12 **NOTICE OF RIGHT TO REQUEST A HEARING**

13 The above named Respondents have the right to request a hearing on
14 this Order to Show Cause, as well as the right to be represented by counsel
15 at each Respondent's own expense. All hearings shall comply with RSA Chapter
16 541-A. Any such request for a hearing shall be in writing, and signed by the
17 Respondent or the duly authorized agent of the above named Respondent, and
18 shall be delivered either by hand or certified mail, return receipt
19 requested, to the Banking Department, State of New Hampshire, 53 Regional
20 Drive, Suite 200, Concord, NH 03301. Such hearings will be scheduled within
21 10 days of the Department's receipt of the request. If the Respondent fails
22 to appear at the hearing after being duly notified, such person shall be
23 deemed in default, and the proceeding may be determined against the Respondent
24 upon consideration of the Order to Show Cause, the allegations of which may be
25 deemed to be true.

1 statutory penalties of \$2,500.00 should not be imposed for
2 failing to file the 2005 annual report;

3 4. Respondents shall be jointly and severally liable for the
4 above amounts alleged in Paragraphs 1 through 3 above;

5 5. The above named Respondents shall show cause why, in addition
6 to the penalties listed in Paragraphs 1 through 4 above,
7 Respondent Neustar's license should not be revoked.

8 It is hereby further ORDERED that:

9 6. Along with the administrative penalties listed for the above
10 named Respondents, the outstanding sum of \$2,500.00 shall be
11 immediately paid; and

12 7. Failure to request a hearing within 30 days of the date of
13 receipt or valid delivery of this Order shall result in a
14 default judgment being rendered and administrative penalties
15 imposed upon the defaulting Respondent(s).

16
17 SIGNED,

18
19 Dated: 07/14/09

20 /s/
PETER C. HILDRETH
BANK COMMISSIONER

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 06-122
)
 3 State of New Hampshire Banking)
)
 4 Department,) Staff Petition
)
 5 Petitioner,) July 10, 2009
)
 6 and)
)
 7 Neustar Financial Services Inc, and)
)
 8 Jessica Owens,)
)
 9 Respondents)

10 I. STATEMENT OF ALLEGATIONS

11 The Staff of the Banking Department, State of New Hampshire (hereinafter
12 "Department") alleges the following facts:

13 Facts Common on All Counts:

- 14 1. Respondent Neustar Financial Services Inc (hereinafter
15 "Respondent Neustar") was licensed as a Mortgage Banker from at
16 least August 14, 2003 until its license expired on December 31,
17 2005.
- 18 2. Respondent Jessica Owens (hereinafter "Respondent Owens") was the
19 President of Respondent Neustar, when licensed by the Department.

20 Violation of RSA 397-A:13,I Failure to File Annual Report (1 Count):

21 Violation of RSA 397-A:13,VI Failure of Officer and Owner to Respond to

22 Department Inquiries (1 Count):

- 23 3. Paragraphs 1 through 2 are hereby realleged as fully set forth
24 herein.
- 25 4. Respondent Neustar was licensed in 2005, and thus subject to the

1 filing of a 2005 annual report with the Department.

2 5. The 2005 annual report was due on or before February 1, 2006.

3 6. On January 5, 2006, the Department mailed, via U.S. mail, a
4 letter notifying Respondent Neustar of the annual report filing
5 requirement.

6 7. On February 8, 2006, the Department mailed a follow-up reminder
7 of the annual report filing requirement.

8 8. On March 3, 2006, the Department via U.S. Certified Mail Return
9 Receipt requested, mailed a third letter regarding the annual
10 report filing requirement.

11 9. On March 29, 2006, the Department mailed a March 27, 2006 dated
12 reminder letter from the Legal Division indicating that fines
13 have accrued for the failure to pay the annual reporting
14 requirement. Respondents received this letter on April 3, 2006.

15 10. To date, the above named Respondents have failed to respond to
16 the Department's notices.

17 11. To date, Respondent Neustar has failed to file the 2005 annual
18 report.

19 12. To date, the penalty for failing to file an annual report has
20 accrued to the maximum cap of \$2,500.00 (\$25.00 a day, maximum
21 \$2,500).

22 **II. ISSUES OF LAW**

23 The staff of the Department alleges the following issues of law:

24 1. The Department realleges the above stated facts in Paragraphs 1
25 through 12 as fully set forth herein.

1 2. The Department has jurisdiction over the licensing and regulation
2 of persons engaged in mortgage banker or broker activities
3 pursuant to NH RSA 397-A:2 and RSA 397-A:3.

4 3. RSA 397-A:13,I provides that a licensee shall file its annual
5 report on or before February 1 each year concerning operations for
6 the preceding year or license period ending December 31. Each of
7 the above named Respondents violated this provision on at least
8 one occasion as alleged above.

9 4. RSA 397-A:13,IV provides that any mortgage banker or mortgage
10 broker failing to file either the annual report or the financial
11 statement required by RSA Chapter 397-A within the time prescribed
12 may be required to pay to the Department a penalty of \$25.00 for
13 each calendar day the annual report or financial statement is
14 overdue, up to a maximum penalty of \$2,500.00 per report or
15 statement. The above named Respondents failed to file the 2005
16 annual report, and incurred a penalty of \$2,500.00.

17 5. RSA 397-A:13,VI provides that any officer, owner, manager or agent
18 of any licensee shall reply promptly in writing, or other
19 designated form, to any written inquiry from the Department.
20 Respondent Owens violated this provision on at least one occasion
21 as alleged above.

22 6. RSA 397-A:17,I provides in part that the Commissioner may by
23 order, upon due notice and opportunity for hearing, assess
24 penalties or deny, suspend, or revoke a license or application if
25 it is in the public interest and the applicant, respondent, or

1 licensee, any partner, officer, member, or director, any person
2 occupying a similar status or performing similar functions, or any
3 person directly or indirectly controlling the applicant,
4 respondent, or licensee: (a) has violated any provision of RSA
5 Chapter 397-A or rules thereunder, or (b) has not met the
6 standards established in RSA Chapter 397-A.

7 7. RSA 397-A:18,I provides that the Department may issue a complaint
8 setting forth charges whenever the Department is of the opinion
9 that the licensee or person over whom the Department has
10 jurisdiction, has violated any provision of RSA 397-A or orders
11 thereunder.

12 8. RSA 397-A:21,IV provides that any person who, either knowingly or
13 negligently, violates any provision of Chapter 397-A, may upon
14 hearing, and in addition to any other penalty provided for by law,
15 be subject to an administrative fine not to exceed \$2,500.00, or
16 both. Each of the acts specified shall constitute a separate
17 violation, and such administrative action or fine may be imposed
18 in addition to any criminal penalties or civil liabilities imposed
19 by New Hampshire Banking laws.

20 9. RSA 397-A:21,V provides that every person who directly or
21 indirectly controls a person liable under this section, every
22 partner, principal executive officer or director of such person,
23 every person occupying a similar status or performing a similar
24 function, every employee of such person who materially aids in the
25 act constituting the violation, and every licensee or person acting

1 as a common law agent who materially aids in the acts constituting
2 the violation, either knowingly or negligently, may, upon notice
3 and opportunity for hearing, and in addition to any other penalty
4 provided for by law, be subject to suspension, revocation, or
5 denial of any registration or license, including the forfeiture of
6 any application fee, or the imposition of an administrative fine
7 not to exceed \$2,500, or both. Each of the acts specified shall
8 constitute a separate violation, and such administrative action or
9 fine may be imposed in addition to any criminal or civil penalties
10 imposed.

11 **III. RELIEF REQUESTED**

12 The staff of the Department requests the Commissioner take the following
13 action:

- 14 1. Find as fact the allegations contained in section I of this Staff
15 Petition;
- 16 2. Make conclusions of law relative to the allegations contained in
17 section II of this Staff Petition;
- 18 3. Pursuant to RSA 397-A:17, order each of the above named
19 Respondents to show cause why their license should not be revoked;
- 20 4. Assess fines and administrative penalties in accordance with RSA
21 397-A:21, for violations of Chapter 397-A, in the number and
22 amount equal to the violations set forth in section II of this
23 Staff Petition; and
- 24 5. Take such other administrative and legal actions as necessary for
25 enforcement of the New Hampshire Banking Laws, the protection of

