

1  
2 State of New Hampshire Banking Department

3 In re the Matter of: ) Case No.: 06-267  
4 )  
5 State of New Hampshire Banking ) Order to Show Cause  
6 Department, )  
7 )  
8 )  
9 )  
10 )  
11 )  
12 )  
13 )  
14 )  
15 )  
16 )  
17 )  
18 )  
19 )  
20 )  
21 )  
22 )  
23 )  
24 )  
25 )

---

12  
13 NOTICE OF ORDER

14 This Order commences an adjudicative proceeding under the provisions of  
15 RSA 541A:31, RSA 397-A, and BAN 204.03.

16 LEGAL AUTHORITY AND JURISDICTION

17 Pursuant to RSA 397-A:17, the Banking Department of the State of New  
18 Hampshire (hereinafter the "Department") has the authority to issue and cause  
19 to be served an order requiring any person engaged in any act or practice  
20 constituting a violation of RSA 397-A or any rule or order thereunder, to  
21 show cause why their license should not be revoked for violations of RSA 397-  
22 A.

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

NOTICE OF RIGHT TO REQUEST A HEARING

1           The above named respondent has the right to request a hearing on this  
2 Order to Show Cause, as well as the right to be represented by counsel.  
3 Any such request for a hearing shall be in writing, and signed by the  
4 respondent or by the duly authorized agent of the above named respondent,  
5 and shall be delivered either by hand or certified mail, return receipt  
6 request, to the Banking Department, State of New Hampshire, 64B Old  
7 Suncook Road, Concord, NH 03301.

8           If respondent fails to request a hearing or respond to the show cause  
9 order within 30 calendar days of receipt of this order, respondent shall  
10 be deemed in default, and the penalties requested will be imposed.

11           STATEMENT OF ALLEGATIONS, APPLICABLE LAW AND REQUEST FOR RELIEF

12           The Staff Petition dated October 19, 2006 (a copy of which is attached  
13 hereto) are incorporated by reference hereto.

14           ORDER

15           WHEREAS, finding it necessary and appropriate and in the public  
16 interest, and consistent with the intent and purposes of the New Hampshire  
17 banking laws, and

18           WHEREAS, finding that the allegations contained in the Staff Petition,  
19 if proved true and correct, form the legal basis of the relief requested,

20           It is hereby ORDERED, that:

- 21           1. The Respondents immediately cease engaging in the activity of  
22           a mortgage banker / broker on residential property in New  
23           Hampshire;
- 24           2. Failure to request a hearing within 30 days of the date of  
25           receipt of this Order shall result in a default judgment being  
            rendered and administrative penalties being imposed upon the  
            defaulting Respondent, which penalties will be those requested  
            in the staff petition.



1 State of New Hampshire Banking Department

2

3 In re the Matter of: ) Case No.: 06-267  
 )  
 4 State of New Hampshire Banking ) Staff Petition  
 )  
 5 Department, )  
 )  
 6 Petitioner, )  
 )  
 7 and )  
 )  
 8 Quotemearate.com, )  
 )  
 9 Respondent )  
 )  
 10 )  
 11 )

---

12 STATEMENT OF ALLEGATIONS

13 I. The staff of the Banking Department, State of New Hampshire (hereinafter  
14 referred to as the "Department") alleges the following facts:

15 COUNT 1 (Failure to complete license surrender):

- 16 1. On or about April 3<sup>rd</sup>, 2006 the Respondent notified the Department that  
17 it was ceasing all operations in New Hampshire.
- 18 2. The Respondent surrendered their physical license.
- 19 3. The Respondent failed to complete the license surrender process. To  
20 wit, they failed to answer inquiries from the Department and failed to  
21 comply with RSA 397-A:10-a and the rules adopted thereunder by not  
22 publishing their license surrender, not providing an accounting of  
23 pending loan applications, and not providing a list of loans that were  
transferred.

24 COUNT 2 (Failure to respond to consumer complaint):

- 25 4. On March 7, 2006 the Respondent received a copy of a consumer complaint  
forwarded to them by the Department.

1 5. On March 13, 2006 Sandy Pena an agent of the Respondent acknowledged  
2 receiving the complaint in accordance with RSA 397-A:15-a.

3 6. On June 13, 2006 a notice of delinquent response was sent to the  
4 Respondent.

5 7. On August 1, 2006 a facsimile cover sheet was received from  
6 Respondent's counsel which read in part, "My client has no further  
7 interest in responding and spending funds the Company does not have to  
8 respond to the Taylor's Complaint. Consider this the Response. The  
9 claim is on its face frivolous."

10 8. The Department advised Respondent's counsel that their response was  
11 insufficient on August 17, 2006.

12 9. No further communications have been received from Respondent or  
13 Respondent's Counsel.

14 II. The staff of the Banking Department, State of New Hampshire alleges the  
15 following issues of law:

16 1. The Banking Department ("Department"), has jurisdiction over the  
17 licensing and regulation of persons engaged in mortgage banker / broker  
18 activities pursuant to NH RSA 397-A:3.

19 2. Pursuant to NH RSA 397-A:18, the Department has the power to issue and  
20 to serve a complaint setting forth charges whenever it is of the  
21 opinion that any person has engaged in any act or practice constituting  
22 a violation of the banking laws, or any rule or order thereunder.

23 COUNT 1:

24 3. Respondent has violated RSA 397-A:10-a I by failing to publish notice  
25 in the local paper that they are surrendering their license.

4. Respondent has violated Banking Rule 2411.02, adopted pursuant to  
authority granted by RSA 397-A:10-a, by failing to submit a list of all

1 pending loan applications and/or a list of all loan application files  
2 transferred to other licensees.

3 5. RSA 397-A:21 IV provides that any person who, either knowingly or  
4 negligently, violates any provision of RSA 397-A, may upon notice and  
5 opportunity for a hearing, and in addition to any other penalty  
6 provided for by law, be subject to revocation of license, an  
7 administrative fine not to exceed \$2,500, or both. Each of the acts  
8 specified shall constitute a separate violation, and such  
9 administrative action or fine may be imposed in addition to any  
10 criminal penalties or civil liabilities imposed by New Hampshire  
11 banking laws. Respondent is subject to administrative fines and  
12 revocation for violations of RSA 397-A:10-a.

13 COUNT 2:

14 6. RSA 397-A:15-a requires an entity to respond to consumer complaints  
15 within 60 days of receipt. They must "conduct an investigation of the  
16 complaint and either: (a) Make appropriate corrections in the account of  
17 the consumer and transmit to the consumer and the banking department  
18 written notification of such corrections, including documentary evidence  
19 thereof; or (b) Transmit a written explanation or clarification to the  
20 consumer and the banking department which sets forth, to the extent  
21 applicable, the reasons why the licensee believes its actions are  
22 correct, including copies of documentary evidence thereof.

23 7. Respondent has violated RSA 397-A:15-a by failure to respond in  
24 accordance with the statute to the consumer complaint of the Taylors.

25 8. RSA 397-A:21 IV provides that any person who, either knowingly or  
negligently, violates any provision of RSA 397-A, may upon notice and  
opportunity for a hearing, and in addition to any other penalty  
provided for by law, be subject to revocation of license, an  
administrative fine not to exceed \$2,500, or both. Each of the acts

1 specified shall constitute a separate violation, and such  
2 administrative action or fine may be imposed in addition to any  
3 criminal penalties or civil liabilities imposed by New Hampshire  
4 banking laws. Respondent is subject to administrative fines and  
5 revocation for violations of RSA 397-A:15-a.

6 **RELIEF REQUESTED**

7 The staff of the Banking Department requests the Commissioner take the  
8 following action:

- 9 1. Find as fact the allegations contained in section I of the Statement of  
10 Allegations of this petition.
- 11 2. Make conclusions of law relative to the allegations contained in section  
12 II of the Statement of Allegations of this petition.
- 13 3. Pursuant to NH RSA 397-A:21, immediately Order Revocation of Respondent's  
14 license.
- 15 4. Assess fines and administrative penalties in accordance RSA 397-A:21, for  
16 violations of the New Hampshire Banking Laws, RSA 397-A, in the number  
17 and amount equal to the violations set forth in section II of the  
18 Statement of Allegations of this petition. Respondent is subject to an  
19 administrative penalty of at least \$2,500 for violating RSA 397-A:10-a,  
20 by its failure to complete license surrender procedures. Respondent is  
21 subject to an administrative penalty of at least \$2,500 for violation of  
22 RSA 397-A:15-a, by its failure to respond to the Taylor consumer  
23 complaint. The aggregate amount of these fines would be \$5,000.
- 24 5. Take such other administrative and legal actions as are necessary for  
25 enforcement of the New Hampshire Banking laws, the protection of New  
Hampshire citizens, and to provide other equitable relief.

**RIGHT TO AMEND**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

The Department reserves the right to amend this Petition for Relief and to request that the Banking Department Commissioner take additional administrative action. Nothing herein shall preclude the Department from bringing additional enforcement action under RSA 397-A or the regulations thereunder.

Respectfully submitted by:

      /s/        
James Shepard  
Staff Attorney

      10/19/06        
Date