# State of New Hampshire Banking Department

) Case No.: 07-008

) Order To Show Cause

Cease and Desist Order

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In re the Matter of: 3

State of New Hampshire Banking

Respondents

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Petitioner, and Mortgage Lenders Network USA Inc, Mitchell Heffernon, and James E. Pendrick

#### NOTICE OF AMENDED ORDER

An Order was issued January 19, 2007 in this case. A motion to amend having been filed and the Commissioner having considered any objection thereto hereby GRANTS the motion and issues this AMENDED ORDER.

## LEGAL AUTHORITY AND JURISDICTION

Pursuant to RSA 397-A:17, the Commissioner of the New Hampshire Banking Department (hereinafter "the Department") may issue an Order to Show Cause why a license should not be revoked. RSA 397-A:17 states that the Department may issue such Order when a licensee engages in an unethical business practice. RSA 397-A:21 states the Commissioner may impose penalties of up to \$2,500 per violation of the chapter.

Pursuant to RSA 397-A:18 the banking department may issue a cease and desist order against any licensee or person who it has reasonable cause to

believe is in violation of the provisions of this chapter or any rule or order under this chapter.

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

## NOTICE OF RIGHT TO REQUEST A HEARING

The above named respondents have the right to request a hearing on this Order to Show Cause and Cease and Desist Order, as well as the right to be represented by counsel. Any such request for a hearing shall be in writing, and signed by the respondents or by the duly authorized agent of the above named respondents, and shall be delivered either by hand or certified mail, return receipt request, to the Banking Department, State of New Hampshire, 64B Old Suncook Road, Concord, NH 03301. Hearings will be conducted within 10 days of such request.

If respondents fail to request a hearing or respond to the orders within 30 calendar days of receipt of these orders, respondent shall be deemed in default, the penalties requested will be imposed, and the Cease and Desist will be become permanent on the 31<sup>st</sup> day.

# STATEMENT OF ALLEGATIONS, APPLICABLE LAWS AND REQUEST FOR RELIEF

The <u>Staff Petition</u> dated January 18, 2007 and <u>Motion to Amend</u> dated February 2, 2007 (copies of which are attached hereto) are incorporated by reference hereto.

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#### ORDER

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

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

It is hereby ORDERED, that:

- Respondent Mortgage Lenders Network USA Inc (MLN) shall show cause why penalties in the amount of \$275,000.00 should not be imposed; and
- 2. Respondent Mitchell Heffernon shall show cause why penalties in the amount of \$275,000.00 should not be imposed; and
- 3. Resdpndent James E. Pendrick shall show cause why penalties in the amount of \$275,000.00 should not be imposed; and
- 4. Respondent MLN shall show cause why its license should not be revoked; and
- 5. The Respondents shall immediately Cease and Desist from all violations of New Hampshire law and the rules promulgated thereunder; and

It is hereby ORDERED that:

- 6. Respondent MLN shall immediately fund the 11 outstanding loans; and
- 7. Failure to request a hearing within 30 days of the date of receipt of the original Order shall result in a default judgment being rendered, the Cease and Desist Order shall become permanent and administrative penalties shall be imposed upon the defaulting Respondent.

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3	Dated:2/2/07	/S/ PETER C. HILDRETH
		BANK COMMISSIONER
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