

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 07-035
)
 3 State of New Hampshire Banking) Order to Show Cause
)
 4 Department,)
)
 5 Petitioner,)
)
 6 and)
)
 7 Stone Mountain Mortgage, Inc.)
)
 8 Respondent)
)

9
10 NOTICE OF ORDER

11 This Order commences an adjudicative proceeding under the provisions of
12 RSA 397-A:17, RSA 541-A and BAN 200.

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 penalties for violations of New
17 Hampshire Banking laws should not be imposed.

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

21 NOTICE OF RIGHT TO REQUEST A HEARING

22 The above named respondent has the right to request a hearing on this
23 Order to Show Cause, as well as the right to be represented by counsel at the
24 Respondent's own expense. All hearings shall comply with RSA 541-A. Any such
25 request for a hearing shall be in writing, and signed by the respondent or
the duly authorized agent of the above named respondent, and shall be
delivered either by hand or certified mail, return receipt requested, to the

1 Banking Department, State of New Hampshire, 64B Old Suncook Road, Concord, NH
2 03301. Such hearings will be scheduled within 10 days of the request. If the
3 Respondent fails to appear at the hearing after being duly notified, such
4 person shall be deemed in default, and the proceeding may be determined against
5 the Respondent upon consideration of the Order to Show Cause, the allegations
6 of which may be deemed to be true.

7 If the Respondent fails to request a hearing within 30 calendar days of
8 receipt of this order or reach formal settlement with the Department within
9 that time frame, then such person shall likewise be deemed in default, and the
10 orders shall, on the thirty-first day, become permanent, and shall remain in
11 full force and effect until and unless later modified or vacated by the
12 commissioner, for good cause shown.

13 **STATEMENT OF ALLEGATIONS, APPLICABLE LAWS AND REQUEST FOR RELIEF**

14 The Staff Petition dated April 27, 2007 (a copy of which is attached
15 hereto) is incorporated by reference hereto.

16 **ORDER**

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

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

22 It is hereby ORDERED, that the Respondent shall show cause why:

23 1. Administrative penalties of \$12,500.00 should not be imposed;

24 and

25 2. Their license should not be revoked; and

It is hereby ORDERED that:

3. Failure to request a hearing within 30 days of the date of

receipt of this Order shall result in a default judgment being

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

rendered, license revocation and administrative penalties
imposed upon the defaulting Respondent.

SIGNED,

Dated: 4/27/07

/S/
PETER C. HILDRETH
BANK COMMISSIONER

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 07-035
)
 3 State of New Hampshire Banking) Staff Petition
)
 4 Department,)
)
 5 Petitioner,) April 27, 2007
)
 6 and)
)
 7 Stone Mountain Mortgage, Inc.,)
)
 8 Respondent)
)

9
10 STATEMENT OF ALLEGATIONS

- 11 I. The Staff of the Banking Department, State of New Hampshire
 12 (hereinafter referred to as the "Department") alleges the following
 13 facts:
- 14 1. On or about July 24, 2006 the Department conducted an examination
 15 of Stone Mountain Mortgage, Inc. (hereinafter "Respondent").
 - 16 2. The Respondent was licensed as a Mortgage Broker and at all times
 17 relevant to this action held a Department license since at least
 18 2000.
 - 19 3. The Examiner in Charge (hereinafter "EIC") noted that the licensee
 20 had accepted and closed loan applications that were taken by an
 21 unlicensed entity.
 - 22 4. In the Report of Examination the EIC indicated that two such loans
 23 were discovered.
 - 24 5. In the response to the Report, the Respondent admitted to co-
 25 brokering these loans with the unlicensed entity, and further

1 be imposed in addition to any criminal penalties or civil
2 liabilities imposed by New Hampshire Banking laws.

3
4 **RELIEF REQUESTED**

5 III. The staff of the Department requests the Commissioner take the
6 following Action:

- 7 1. Find as fact the allegations contained in section I of this
8 petition;
- 9 2. Make conclusions of law relative to the allegations contained
10 in section II of the this petition;
- 11 3. Order Respondent to Show Cause why its license should not be
12 revoked;
- 13 4. Assess fines and administrative penalties in accordance with
14 RSA 397-A:21, for five violations of Chapter 397-A; and
- 15 5. Take such other administrative and legal actions as necessary
16 for enforcement of the New Hampshire Banking Laws, the
17 protection of New Hampshire citizens, and to provide other
18 equitable relief.

19
20 **RIGHT TO AMEND**

21 IV. The Department reserves the right to amend this Staff Petition and
22 to request that the Commissioner take additional administrative
23 action. Nothing herein shall preclude the Department from bringing
24 additional enforcement action under RSA 397-A or the regulations
25 thereunder.

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

Respectfully submitted by:

 /S/
James Shepard
Staff Attorney

 4/27/07
Date