

1 State of New Hampshire Banking Department

2

3 In re the Matter of: ) Case No.: 07-044  
 )  
 4 State of New Hampshire Banking ) Consent Agreement  
 )  
 5 Department, )  
 )  
 6 Petitioner, )  
 )  
 7 and )  
 )  
 8 EJC Coastal Mortgage Group LLC and )  
 )  
 9 Earl Jay Cheney, )  
 )  
 10 Respondent (s) )  
 )

---

11  
12 CONSENT AGREEMENT

13 I. For purposes of settling the above-referenced matter, among other  
14 things, the New Hampshire Banking Department (hereinafter referred to  
15 as "the Department") and Respondents EJC Coastal Mortgage Group LLC and  
16 Earl Jay Cheney (hereinafter referred to as "Respondent EJC" and  
"Respondent Cheney", respectively or Respondents collectively), do  
hereby enter this Agreement and stipulate to the following:

- 17 1. Respondent EJC was never licensed to conduct mortgage brokering in  
18 New Hampshire by the Department.
- 19 2. The Department maintains that Respondent EJC was subject to  
20 licensure as a result of activities conducted by Respondents and  
21 others as alleged in the staff petition of February 26, 2007 in  
22 this same cause.
- 23 3. EJC terminated all operations in 2006 and filed a Certificate of  
24 Cancellation with the New Hampshire Secretary of State in January  
25 of 2007. Respondents did not understand during the period EJC  
operated that its activities required a license separate from  
the Coastal Mortgage Group branch license from which EJC operated

1 but now understand the way EJC operated that the Department  
2 requires a separate broker license.

3 4. The Respondents acknowledge that RSA 397-A:16 states that: "only  
4 mortgage brokers and mortgage bankers licensed under the  
5 provisions of this chapter shall be entitled to retain  
6 commissions for services rendered."

7 5. The Respondents do not admit that they have committed any  
8 violation of New Hampshire Banking Laws or Regulations but wish  
9 to avoid further formal process.

10 II. For purposes of amicably resolving and closing the above-referenced  
11 matters the Respondents agree to the following terms and conditions and the  
12 Department accepts the same:

- 13 1. The Respondents agree that they have voluntarily entered into this  
14 Agreement without reliance upon any discussions between the  
15 Department and Respondents, without promise of a benefit of any kind  
16 (other than concessions contained in this Agreement), and without  
17 threats, force, intimidation, or coercion of any kind. The  
18 Respondents further acknowledge their understanding of the nature of  
19 the offenses alleged above, including the penalties provided by law.
- 20 2. The Respondents agree to waive any and all rights to a hearing and  
21 appeal thereof.
- 22 3. The Respondents agrees that they will not deny the factual basis for  
23 this Agreement to which they have stipulated above and will not give  
24 conflicting statements about such facts or their involvement in the  
25 stipulated facts.
- 26 4. The Respondents agree that all terms of this Agreement are  
27 contractual and none is a mere recital.
- 28 5. Subject to the terms of this Agreement, the Respondents consent to  
29 the entry of an administrative penalty of \$90,000.00.
- 30 6. The Department agrees to waive the penalty on receipt of Respondents  
31 compliance with its further agreements herein.
- 32 7. Respondents consent to having the Cease and Desist Order being made  
33 permanent against EJC Coastal Mortgage Group LLC.

- 1       8.     Respondents shall make a settlement payment directly to the National  
2           Mortgage Licensing System administered by the State Regulatory  
3           Registry LLC in the amount of \$60,000.00, said sum being  
4           approximately the amount of the commissions paid personally to  
5           Respondent Cheney for the alleged unlawful transactions. Such  
6           payment may be made in 12 equal monthly installments beginning  
7           January 2, 2008 and due the 1<sup>st</sup> business day of every month  
8           thereafter.
- 9       9.     Respondents shall provide an accounting of said payments to the  
10          Department on demand.
- 11       10.    Respondents acknowledge they are jointly and severally liable for  
12          all payments referenced herein.
- 13       11.    The Respondents acknowledge that failure to make payment as agreed  
14          above will result in license action and administrative fines.
- 15       12.    Respondent EJC is executing this Agreement pursuant to its authority  
16          to wind up its affairs as provided by RSA 304-C:56.

17 This Agreement represents the complete and final resolution of, and discharge  
18 of any basis for any civil or administrative proceeding by the Department  
19 against the Respondents for violations arising as a result of or in  
20 connection with any actions or omissions by the Respondents through the date  
21 of this Order as it applies to unlicensed activity; provided, however, this  
22 release does not apply to facts not known by the Department or not otherwise  
23 provided by the Respondents to the Department as of the date of this Order  
24 nor to actions for Restitution under RSA 383:10-d. The Department expressly  
25 reserves its right to pursue any administrative or civil action or remedy  
available to it should the Respondents breach this Agreement or in the future  
violate the Act or rules and orders promulgated thereunder.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

1 **WHEREFORE**, based on the foregoing, we have set our hands to this Agreement,  
2 with it taking effect upon the signature of Peter C. Hildreth, Bank  
3 Commissioner.

4 Recommended this 20th day of December, 2007 by

5 \_\_\_\_\_  
6 /S/  
7 James Shepard, Staff Attorney, Banking Department

8 Executed this 19th day of December, 2007.  
9 \_\_\_\_\_

10 EJC Coastal Mortgage Group, LLC and Earl J. Cheney

11 By their Attorneys

12 McLANE, GRAF, RAULERSON & MIDDLETON  
13 PROFESSIONAL ASSOCIATION

14 By: \_\_\_\_\_  
15 Joseph A. Foster  
16 900 Elm Street, Box 326  
17 Manchester, N.H. 03105  
18 603-625-6464

19 **SO ORDERED,**

20 Entered this 20th day of December, 2007.

21 \_\_\_\_\_  
22 /S/  
23 Peter C. Hildreth,  
24 Bank Commissioner

25 **NOTE: VIOLATION OF A CEASE AND DESIST ORDER IS A CRIMINAL  
OFFENSE.**