

1 State of New Hampshire Banking Department

2 In re the Matter of: ) Case No.: 07-122  
) )  
3 State of New Hampshire Banking ) Order to Show Cause  
) )  
4 Department, )  
) )  
5 Petitioner, )  
) )  
6 and )  
) )  
7 Atlantic Loan Corp., )  
) )  
8 Respondent )  
) )

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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 such 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 July 3, 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 \$7,500.00 should not be imposed;

24 and

25 2. Respondents license should not be revoked; and

It is hereby ORDERED that:

3. Respondent shall pay the \$2,500.00 statutory penalty for  
overdue annual report; and

1               4. Failure to request a hearing within 30 days of the date of  
2                      receipt of this Order shall result in a default judgment being  
3                      rendered, license revocation and administrative penalties  
4                      imposed upon the defaulting Respondent.

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6    SIGNED,

7 Dated: 7/3/07

8    /S/        
9    PETER C. HILDRETH  
10    BANK COMMISSIONER

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1 State of New Hampshire Banking Department

2 In re the Matter of: ) Case No.: 07-122  
 )  
 3 State of New Hampshire Banking ) Staff Petition  
 )  
 4 Department, )  
 )  
 5 Petitioner, ) July 3, 2007  
 )  
 6 and )  
 )  
 7 Atlantic Loan Corp., )  
 )  
 8 Respondent )  
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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 August 14, 2006 Department was scheduled to begin an  
15 examination of Atlantic Loan Corp. (hereinafter "Respondent").
- 16 2. Respondent is licensed as a Mortgage Broker and at all times  
17 relevant to this action has held a Department license since at least  
18 2005.
- 19 3. The Department sent a notice of an upcoming examination to the  
20 Respondent via US Certified Mail on July 7, 2006 (mail piece number:  
21 7002 3150 0004 7242 6294). The notice was returned to the  
22 Department as unclaimed on August 7, 2006.
- 23 4. The notice was then sent via UPS on August 9, 2006 (mail piece  
24 number: 1Z X46 660 22 1006 293 1). The Respondent received and  
25 signed for the mail piece on or about August 10, 2006. The

1 Respondent further acknowledged receipt of the notice via email on  
2 August 25, 2006.

3 5. The Respondent failed to submit any loan files or other exam  
4 materials as requested in the notice.

5 6. On August 31, 2006 the Department sent the Respondent via US  
6 Certified Mail a second letter (mail piece number: 7002 2030 0000  
7 9677 0025) referencing the first letter and requesting the  
8 information. The notice was returned to the Department as unclaimed  
9 on September 29, 2006.

10 7. The notice was then sent via UPS on October 2, 2006 (mail piece  
11 number: 1Z X46 660 37 1001 461 6). The Respondent received and  
12 signed for the mail piece on or about October 3, 2006.

13 8. On November 17, 2006 the Department sent a third and final notice to  
14 the Respondent via facsimile. The Respondent acknowledged receipt  
15 of the facsimile in an email to the Department.

16 9. To date, the Respondent has failed to provide any exam materials to  
17 the Department.

18 10. On June 4, 2007 the Department sent the Respondent via US Certified  
19 Mail (mail piece number: 7006 3450 0000 0611 8339) a letter  
20 notifying the Respondent it had failed to file its 2006 annual  
21 report. The Department enclosed a Consent Agreement for the  
22 Respondent to sign and return with the annual report within 10 days  
23 of its receipt. The Respondent received and signed for the mail  
24 piece on or about June 11, 2007.

25 11. To date the Respondent has not returned the Consent Agreement or  
submitted its 2006 annual report.

1 12. The Respondent has a fiscal year end of December 31. As a result it  
2 must submit a financial statement by July 2, 2007.

3 13. The Respondent failed to submit a financial statement as of this  
4 petition date.

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6 **ISSUES OF LAW**

7 II. The staff of the Department, alleges the following issues of law:

8 1. The Department realleges the above stated facts in paragraphs 1  
9 through 13.

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

13 3. Pursuant to New Hampshire Banking law, RSA 397-A:12 the  
14 Department may examine the business affairs of any licensee or  
15 any other person, whether licensed or not, as it deems necessary  
16 to determine compliance with this Chapter and the rules adopted  
17 pursuant to it and with the Consumer Credit Protection Act, as  
18 amended (15 U.S.C. 1601 et seq.). In determining compliance,  
19 the Department may examine the books, accounts, records, files,  
20 and other documents or matters of any licensee or person. RSA  
21 397-A:12 further requires every person being examined, and all  
22 of the officers, directors, employees, agents, and  
23 representatives of such person shall make freely available to  
24 the commissioner or his examiners, the accounts, records,  
25 documents, files, information, assets, and matters in their  
possession or control relating to the subject of the examination

1 and shall facilitate the examination. The Respondent violated  
2 this provision by failing to provide exam materials requested by  
3 the Department.

4 4. RSA 397-A:13 I requires licensees to file, under oath, an annual  
5 report on or before February 1 each year concerning operations  
6 for the preceding year or license period ending December 31.

7 The Respondent violated this provision by failing to file its  
8 annual report.

9 5. RSA 397-A:13 II requires licensees to file, under oath, a  
10 financial statement within 90 days of its fiscal year end. The  
11 Respondent violated this provision by failing to file its  
12 financial statement.

13 6. RSA 397-A:21 IV provides that any person who, either knowingly  
14 or negligently, violates any provision of Chapter 397-A, may  
15 upon hearing, and in addition to any other penalty provided for  
16 by law, be subject to suspension or revocation of their license  
17 or an administrative fine not to exceed \$2,500, or both. Each  
18 of the acts specified shall constitute a separate violation, and  
19 such administrative action or fine may be imposed in addition to  
20 any criminal penalties or civil liabilities imposed by New  
21 Hampshire Banking laws.

22 **RELIEF REQUESTED**

23 III. The staff of the Department requests the Commissioner take the  
24 following Action:

- 25 1. Find as fact the allegations contained in section I of this  
petition;

