

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 07-123
)
 3 State of New Hampshire Banking) Order to Show Cause
)
 4 Department,)
)
 5 Petitioner,)
)
 6 and)
)
 7 Corestar Financial Group LLC,)
)
 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 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 October 26, 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 \$5,000.00 should not be imposed;

24 and

25 2. Statutory penalties for failure to submit the annual report in
the amount of \$2,500.00 should not be imposed; and

3. Statutory penalties for failure to submit exam materials in
the amount of \$5,000.00 should not be imposed; and

4. Respondents license should not be revoked; and

1 It is hereby ORDERED that:

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

6 SIGNED,

7
8 Dated: 10/29/07

/s/

PETER C. HILDRETH
BANK COMMISSIONER

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 07-123
)
 3 State of New Hampshire Banking) Staff Petition
)
 4 Department,)
)
 5 Petitioner,) October 26, 2007
)
 6 And)
)
 7 Corestar Financial Group LLC,)
)
 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. Corestar Financial Group, LLC (hereinafter Respondent) was licensed
15 as a Mortgage Banker and at all times relevant to this action has
16 held a Department license since at least 2003.

17 2. The Department sent a notice of an upcoming examination to the
18 Respondent via US Certified Mail on March 23, 2007 (mail piece
19 number: 7002 2410 0005 1958 8444). The Respondent received and
20 signed for the mail piece on or about March 28, 2007.

21 3. On May 16, 2007 the Department sent the Respondent via US Certified
22 Mail a second letter (mail piece number: 7002 2410 0005 1958 9779)
23 referencing the first letter and requesting the information. The
24 Respondent received and signed for the mail piece on or about May
25 30, 2007.

1 4. To date, the Respondent has failed to provide any exam materials to
2 the Department.

3 5. The respondent is at least 121 days overdue in their response.

4 6. The Respondent's annual report was due on or before February 1,
5 2007.

6 7. On February 2, 2007 the Department sent the Respondent a reminder
7 notice via facsimile that the annual report had not been received.

8 8. On March 5, 2007 the Department sent the Respondent a letter via US
9 Certified Mail (mail piece number: 7006 2760 0002 2477 2433)
10 advising them that the annual report had not been received and they
11 had until March 26, 2007 to file the report to avoid enforcement
12 action. The Respondent received and signed for the letter on March
13 8, 2007.

14 9. To date the Respondent has failed to provide the materials requested
15 for the examination and has failed to submit its annual report.

16
17 **ISSUES OF LAW**

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

19 1. The Department realleges the above stated facts in paragraphs 1
20 through 9.

21 2. The Department has jurisdiction over the licensing and
22 regulation of persons engaged in mortgage banker activities
23 pursuant to NH RSA 397-A:3.

24 3. Pursuant to New Hampshire Banking law, RSA 397-A:12 the
25 Department may examine the business affairs of any licensee or
any other person, whether licensed or not, as it deems necessary

1 to determine compliance with this Chapter and the rules adopted
2 pursuant to it and with the Consumer Credit Protection Act, as
3 amended (15 U.S.C. 1601 et seq.). In determining compliance,
4 the Department may examine the books, accounts, records, files,
5 and other documents or matters of any licensee or person. RSA
6 397-A:12 further requires every person being examined, and all
7 of the officers, directors, employees, agents, and
8 representatives of such person shall make freely available to
9 the commissioner or his examiners, the accounts, records,
10 documents, files, information, assets, and matters in their
11 possession or control relating to the subject of the examination
12 and shall facilitate the examination. The Respondent violated
13 this provision by failing to provide exam materials requested by
14 the Department.

15 4. RSA 397-A:11 provides that failure to return requested loan
16 documents to the department subjects the Respondent to a \$50
17 fine per day for each day after the 21st day.

18 5. RSA 397-A:13 I requires licensees to file, under oath, an annual
19 report on or before February 1 each year concerning operations
20 for the preceding year or license period ending December 31.
21 The Respondent violated this provision by failing to file its
22 annual report.

23 6. RSA 397-A:21 IV provides that any person who, either knowingly
24 or negligently, violates any provision of Chapter 397-A, may
25 upon hearing, and in addition to any other penalty provided for
by law, be subject to suspension or revocation of their license

1 or an administrative fine not to exceed \$2,500, or both. Each
2 of the acts specified shall constitute a separate violation, and
3 such administrative action or fine may be imposed in addition to
4 any criminal penalties or civil liabilities imposed by New
5 Hampshire Banking laws.

6 **RELIEF REQUESTED**

7 III. The staff of the Department requests the Commissioner take the
8 following Action:

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

23 **RIGHT TO AMEND**

24 IV. The Department reserves the right to amend this Staff Petition and
25 to request that the Commissioner take additional administrative
action. Nothing herein shall preclude the Department from bringing

