State of New Hampshire Banking Department

In re the Matter of:		Case No.: 07-141	
)		
State of New Hampshire Banking)	Order to Show Cause	
)		
Department,)		
)		
Petitioner,)		
)		
and)		
)		
Allstate Home Loans Inc.,)		
)		
Respondent)		
)		

NOTICE OF ORDER

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

LEGAL AUTHORITY AND JURISDICTION

Pursuant to RSA 397-A:17, the Banking Department of the State of New Hampshire (hereinafter the "Department") has the authority to issue an order to show cause why license revocation penalties for violations of New Hampshire Banking laws should not be imposed.

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

NOTICE OF RIGHT TO REQUEST A HEARING

The above named respondent has the right to request a hearing on this Order to Show Cause, as well as the right to be represented by counsel at the Respondent's own expense. All hearings shall comply with RSA 541-A. Any such 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

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

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

STATEMENT OF ALLEGATIONS, APPLICABLE LAWS AND REQUEST FOR RELIEF

The <u>Staff Petition</u> dated November 15, 2007 (a copy of which is attached hereto) is incorporated by reference hereto.

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 the Respondent shall show cause why:

- Administrative penalties of \$5,000.00 should not be imposed;
 and
- 2. Statutory penalties of \$2,500.00 should not be imposed; and
- 3. Payment of the outstanding examination fees in the amount of \$1,135.00 should not be ordered; and
- 4. Respondents license should not be revoked; and It is hereby ORDERED that:

1	5. 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	D-4-3 11/15/05		
8	Dated: 11/15/07/S/ PETER C. HILDRETH BANK COMMISSIONER		
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1 State of New Hampshire Banking Department In re the Matter of:) Case No.: 07-141 2 State of New Hampshire Banking Staff Petition 3) 4 Department, 5 Petitioner,) November 15, 2007 6 and 7 Allstate Home Loans Inc, 8 Respondent 9 10 STATEMENT OF ALLEGATIONS The Staff of the Banking Department, State of New Hampshire 11 I. 12 (hereinafter referred to as the "Department) alleges the following 13 facts: 14 1. Respondent is licensed as a Mortgage Banker and at all times 15 relevant to this action has held a Department license since at least 2002. 16 17 2. On or about April 2, 2007 Allstate Home Loans Inc. (hereinafter 18 "Respondent") was required to file a financial statement with the 19 Department for its fiscal year end of December 31, 2006. 20 3. Prior to it being due, the Department sent a letter to Respondent reminding them that they would have to file a financial statement 2.1 22 by April 2, 2007. 23 4. On April 4, 2007 the Department sent the Respondent a letter advising them that the financial statement had not been received 24 25 and they had begun to accrue a \$25.00 per day fine for late

submission of materials.

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- 5. On April 25, 2007 the Department sent the Respondent a second reminder letter regarding the accruing fine.
- 6. To date the Respondent has failed to submit its financial statement.
- 7. On November 13, 2006 the Department conducted an examination of the Respondent.
- 8. On June 29, 2007 the Department sent an invoice to the Respondent in the amount of \$1,135.00 for the cost of the examination.
- 9. To date the Respondent has failed to pay the outstanding invoice for its examination.

ISSUES OF LAW

- II. The staff of the Department, alleges the following issues of law:
 - The Department has jurisdiction over the licensing and regulation of persons engaged in mortgage banker activities pursuant to NH RSA 397-A:3.
 - 2. RSA 397-A:13 II provides that a licensee shall file its financial statement within 90 days from the date of its fiscal year end. The Respondent violated this provision by failing to submit its financial statement.
 - 3. RSA 397-A:13 IV provides that any mortgage banker which fails to file its financial statement within the time prescribed may be required to pay to the department a penalty of \$25.00 for each calendar day the statement is overdue up to a maximum penalty of \$2,500.00.
 - 4. RSA 397-A:12 I provides that the Department may examine the business affairs of any licensee.

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- 5. RSA 397-A:12 V provides that the expense of such examination shall be chargeable to and paid by the licensee.
- 6. RSA 383:11 III provides that costs of examinations shall be made within 60 days of receipt of the notice. The Respondent violated this provision by failing to pay the cost of the examination.
- 7. RSA 397-A:21 IV provides that any person who, either knowingly or negligently, violates any provision of Chapter 397-A, may upon hearing, and in addition to any other penalty provided for by law, be subject to suspension or revocation of their license or an administrative fine not to exceed \$2,500.00, or both.

 Each of the acts specified shall constitute a separate violation, and such administrative action or fine may be imposed in addition to any criminal penalties or civil liabilities imposed by New Hampshire Banking laws.

RELIEF REQUESTED

- III. The staff of the Department requests the Commissioner take the following Action:
 - Find as fact the allegations contained in section I of this petition;
 - Make conclusions of law relative to the allegations contained in section II of the this petition;
 - Order Respondent to Show Cause why its license should not be revoked;
 - 4. Assess fines and administrative penalties in accordance with RSA 397-A:21, for violations of Chapter 397-A, in the number

1		and amount equal to the violations set forth in section II of
2		this petition; and
3		5. Take such other administrative and legal actions as necessary
4		for enforcement of the New Hampshire Banking Laws, the
5		protection of New Hampshire citizens, and to provide other
6		equitable relief.
7		RIGHT TO AMEND
8	IV.	The Department reserves the right to amend this Staff Petition and
9		to request that the Commissioner take additional administrative
10		action. Nothing herein shall preclude the Department from bringing
11		additional enforcement action under RSA 397-A or the regulations
12		thereunder.
13	Respe	ctfully submitted by:
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15	James	/S/ 11/15/07 Shepard Date
16	Staff	Attorney
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