

1 State of New Hampshire Banking Department

2 In re the Matter of: ) Case No.: 07-146  
 )  
 3 State of New Hampshire Banking ) Order to Show Cause  
 )  
 4 Department, ) with Immediate Suspension  
 )  
 5 Petitioner, )  
 )  
 6 and )  
 )  
 7 Freedom Funding Group, 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. The Department further may  
18 take action for immediate suspension.

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

22 NOTICE OF RIGHT TO REQUEST A HEARING

23 The above named respondents are entitled to a hearing within 10  
24 business days pursuant to RSA 541-A, as well as the right to be represented  
25 by counsel at the Respondent's own expense. All hearings shall comply with  
RSA 541-A. 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

1 determined against the Respondent upon consideration of the Order to Show  
2 Cause, the allegations of which may be deemed to be true.

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

4 The Staff Petition dated November 13, 2007 (a copy of which is attached  
5 hereto) is incorporated by reference hereto.

6 **ORDER**

7 WHEREAS, finding it necessary and appropriate and in the public  
8 interest, and consistent with the intent and purposes of the New Hampshire  
9 banking laws, and

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

12 It is hereby ORDERED, that Respondent Freedom Funding Group, Inc. shall  
13 show cause why:

- 14 1. Administrative penalties of \$5,000.00 should not be imposed;
- 15 and
- 16 2. Statutory penalties of \$2,500.00 should not be imposed; and
- 17 3. Respondent's license should not be revoked; and

18 It is hereby further ORDERED, that Respondent Sarah B. Kirinsky shall  
19 show cause why:

- 20 4. Administrative penalties of \$5,000.00 should not be imposed;
- 21 and

22 FINDING a substantial likelihood that delay will cause harm to the public  
23 health, safety or welfare, it is hereby further ORDERED:

- 24 5. Respondent Freedom's license is immediately suspended; and
- 25 6. A hearing on the immediate suspension will be scheduled  
immediately to occur in the next ten days pursuant to RSA 541-  
A:30, III.



1 State of New Hampshire Banking Department

2 In re the Matter of: ) Case No.: 07-146  
 )  
 3 State of New Hampshire Banking ) Staff Petition  
 )  
 4 Department, )  
 )  
 5 Petitioner, ) November 13, 2007  
 )  
 6 and )  
 )  
 7 Freedom Funding Group, Inc. and Sarah )  
 )  
 8 B. Kirinsky, )  
 )  
 9 Respondents

---

10  
11 STATEMENT OF ALLEGATIONS

12 I. The Staff of the Banking Department, State of New Hampshire  
13 (hereinafter referred to as the "Department) alleges the following  
14 facts:

- 15 1. Freedom Funding Group, Inc. (hereinafter "Respondent Freedom") is  
16 licensed as a Mortgage Broker and at all times relevant to this  
17 action held a Department license since at least 2006.
- 18 2. Sarah B. Kirinsky (hereinafter "Respondent Kirinsky") is the  
19 president and sole stockholder of Respondent Freedom.
- 20 3. Respondent Kirinsky and Respondent Freedom are jointly referred to  
21 as Respondents herein.

22 COUNT I - Failure to facilitate an examination

- 23 4. On or about May 29, 2007 the Department was scheduled to begin an  
24 examination of Respondent Freedom.
- 25 5. The Department sent a notice of an upcoming examination to the  
Respondents via US Certified Mail on April 27, 2007 (mail piece

1 number: 7006 3450 0000 0611 5567). The mail piece was received and  
2 signed for on or about May 3, 2007.

3 6. On July 24, 2007 the Department sent a second letter to the  
4 Respondents via US Certified Mail (mail piece number: 7006 3450 0000  
5 0609 7474) referencing the first letter and requesting the materials  
6 again. The mail piece was received and signed for on or about  
7 August 2, 2007.

8 7. To date, the Respondents have failed to provide any exam materials  
9 to the Department.

10 COUNT II - Failure to file financial statement

11 8. Respondent Freedom's fiscal year end was December 31, 2006 and the  
12 financial statement was due on or before April 2, 2007.

13 9. On April 4, 2007 the Department sent the Respondents a letter  
14 advising them that the financial statement had not been received and  
15 they had begun to accrue a \$25.00 per day fine for late submission  
16 of materials.

17 10. On April 25, 2007 the Department sent the Respondents a second  
18 reminder letter regarding the accruing fine.

19 11. On June 21, 2007 this petitioner sent a final reminder and proposed  
20 resolution of the matter to Respondents via certified mail. The mail  
21 piece was received and signed for on June 28, 2007.

22 12. To date, the Respondents have failed to submit its financial  
23 statement.

24 ISSUES OF LAW

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

- 1           1. The Department realleges the above stated facts in paragraphs 1  
2           through 9.
- 3           2. The Department has jurisdiction over the licensing and  
4           regulation of persons engaged in mortgage broker activities  
5           pursuant to NH RSA 397-A:3.
- 6           3. Pursuant to New Hampshire Banking law, RSA 397-A:12 the  
7           Department may examine the business affairs of any licensee or  
8           any other person, whether licensed or not, as it deems necessary  
9           to determine compliance with this Chapter and the rules adopted  
10          pursuant to it and with the Consumer Credit Protection Act, as  
11          amended (15 U.S.C. 1601 et seq.). In determining compliance,  
12          the Department may examine the books, accounts, records, files,  
13          and other documents or matters of any licensee or person. RSA  
14          397-A:12 further requires every person being examined, and all  
15          of the officers, directors, employees, agents, and  
16          representatives of such person shall make freely available to  
17          the commissioner or his examiners, the accounts, records,  
18          documents, files, information, assets, and matters in their  
19          possession or control relating to the subject of the examination  
20          and shall facilitate the examination. The Respondent violated  
21          this provision by failing to provide the examination materials  
22          as required in the First Day Letter.
- 23          4. RSA 397-A:13 II provides that a licensee shall file its  
24          financial statement within 90 days from the date of its fiscal  
25          year end. The Respondent violated this provision by failing to  
        submit its financial statement.



