

1 State of New Hampshire Banking Department

2

3 In re the Matter of: ) Case No.: 07-179  
 )  
 4 State of New Hampshire Banking )  
 ) Cease and Desist Order  
 5 Department, )  
 )  
 6 and )  
 )  
 7 Suncoast Mortgage Funding LLC, Danny )  
 )  
 8 Gruby and Kerry Sachs, )  
 )  
 9 Respondents )  
 )  
 10 )  
 )  
 11 )

---

12 NOTICE OF ORDER

13 This Order commences an adjudicative proceeding under the provisions of  
14 RSA 397-A:18 II and BAN 200 et seq.

15 LEGAL AUTHORITY AND JURISDICTION

16 Pursuant to RSA 397-A:18 II, the Banking Department of the State of New  
17 Hampshire (hereinafter the "Department") has the authority to issue and cause  
18 to be served an order requiring any person engaged in any act or practice  
19 constituting a violation of RSA 397-A or any rule or order thereunder, to  
20 cease and desist from violations of RSA 397-A.

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

24 Pursuant to RSA 383:10-d, the Commissioner shall have exclusive  
25 authority and jurisdiction to investigate conduct that is or may be an unfair  
or deceptive act or practice under RSA 358-A and exempt under RSA 358-A:3, I or

1 that may violate any of the provisions of Titles XXXV and XXXVI and  
2 administrative rules adopted thereunder. The Commissioner may hold hearings  
3 relative to such conduct and may order restitution for a person or persons  
4 adversely affected by such conduct. Nothing in this cause will impair a  
5 consumer's right of recovery under that statute.

6 **NOTICE OF RIGHT TO REQUEST A HEARING**

7 The above named respondent has the right to request a hearing on  
8 this Cease and Desist Order, as well as the right to be represented by  
9 counsel. If the person to whom a cease and desist order is issued fails to  
10 request a hearing within 30 calendar days of receipt of such order, then such  
11 person shall be deemed in default, and the order shall, on the thirty-first  
12 day, become permanent and shall remain in full force and effect until and  
13 unless later modified or vacated by the commissioner, for good cause shown.  
14 Any such request for a hearing shall be in writing, signed by the respondent  
15 or by the duly authorized agent of the above named respondent, and shall be  
16 delivered either by hand or certified mail, return receipt request, to the  
17 Banking Department, State of New Hampshire, 64B Old Suncook Road, Concord, NH  
18 03301.

19 A hearing shall be held not later than 10 days after the request for such  
20 hearing is received by the commissioner. Within 20 days of the date of any such  
21 hearing the commissioner shall issue a further order either vacating the cease  
22 and desist order or making it permanent as the facts require. All hearings  
23 shall comply with 541-A. If the person to whom a cease and desist order is  
24 issued fails to appear at the requested hearing after being duly notified of  
25 the date and time, such person shall be deemed in default, and the proceeding  
may be determined against him or her upon consideration of the cease and desist  
order, the allegations of which may be deemed to be true.

1   **STATEMENT OF ALLEGATIONS**

2             The allegations contained in the Staff Petition for Relief dated July  
3 18, 2007 (a copy of which is attached hereto) are incorporated by reference  
4 hereto.

5   **ORDER**

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

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

11             It is hereby ORDERED, that:

- 12             1. The Respondent shall immediately cease engaging in the  
13                 activity of a mortgage banker / broker on residential property  
14                 in New Hampshire; and
- 15             2. The Respondent shall repay to consumers all commisssions  
16                 collected as a result of their unlicensed activity; and
- 17             3. Respondent Suncoast shall show cause why it should not be  
18                 ordered to pay \$5,000.00 for violations of the Chapter; and
- 19             4. Respondent Gruby shall show cause why he should not be ordered  
20                 to pay \$5,000.00 for violations of the Chapter; and
- 21             5. Respondent Sachs shall show cause why he should not be ordered  
22                 to pay \$5,000.00 for violations of the Chapter; and
- 23             6. Failure to request a hearing within 30 days of the date of  
24                 receipt of this Order shall result in a default judgment being  
25                 rendered, administrative penalties being imposed upon the  
               defaulting Respondents, refunds of all commisssions being  
               ordered and such further action as is necessary to determine  
               the proper amount of restitution.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SIGNED,

Dated: 7/30/07

\_\_\_\_\_/s/\_\_\_\_\_  
PETER C. HILDRETH  
BANK COMMISSIONER

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

1 State of New Hampshire Banking Department

2

3 In re the Matter of: ) Case No.: 07-179  
 )  
 4 State of New Hampshire Banking ) Cease and Desist Order  
 ) Staff Petition  
 5 Department, )  
 )  
 6 and )  
 ) July 18, 2007  
 7 Suncoast Mortgage Funding LLC, Danny )  
 )  
 8 Gruby and Kerry Sachs, )  
 )  
 9 Respondents )  
 )  
 10 )  
 )  
 11 )

---

12 STATEMENT OF ALLEGATIONS

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

- 15 1. During an examination of a licensed entity, the Examiner in Charge  
 16 ("EIC") noted the licensee had accepted mortgage originations from an  
 17 entity they knew as Suncoast Mortgage Funding LLC (hereinafter  
 18 "Respondent Suncoast").
- 19 2. Respondent Suncoast's primary business location is Boca Raton, FL.
- 20 3. Respondent Danny Gruby (hereinafter "Respondent Gruby") is a Director  
 of Respondent Suncoast.
- 21 4. Respondent Kerry Sachs (hereinafter "Respondent Sachs") is a Director  
 22 of Respondent Suncoast.
- 23 5. The EIC noted that Respondent Suncoast originated at least 2 loans  
 24 through Advanced Mortgage Solutions of South Florida, Inc., then placed  
 25 these loans with the licensed entity in expectation of compensation.
6. Respondent Suncoast was not licensed as a mortgage broker nor was it

1 entitled to any compensation. Respondent Suncoast engaged in activity  
2 that required it to obtain a license.

3 II. The staff of the Banking Department, State of New Hampshire alleges the  
4 following issues of law:

- 5 1. The Banking Department ("Department"), has jurisdiction over the  
6 licensing and regulation of persons engaged in first mortgage banker /  
7 broker activities pursuant to NH RSA 397-A:3.
- 8 2. Pursuant to the New Hampshire Banking laws, RSA 397-A:3 requires any  
9 person not exempt under RSA 397-A:4 that, in its own name or on behalf  
10 of other persons, engages in the business of making or brokering first  
11 mortgage loans secured by real property located in this state shall be  
12 required to obtain a license from the banking department.
- 13 3. Pursuant to NH RSA 397-A:18, the Department has the power to issue and  
14 to serve an order requiring persons to cease and desist from violations  
15 of the chapter whenever it has reasonable cause to believe that any  
16 person has engaged in any act or practice constituting a violation of  
17 the banking laws, or any rule or order thereunder. Respondent has  
18 violated RSA 397-A:3 by conducting unlicensed mortgage banker / broker  
19 activities in New Hampshire.
- 20 4. Pursuant to RSA 397-A:1 originators may only work for one mortgage  
21 broker at a time.
- 22 5. Pursuant to RSA 397-A:16 only licensed mortgage brokers and bankers are  
23 entitled to retain commissions for their services.
- 24 6. Pursuant to RSA 397-A:21 any person who, either knowingly or  
25 negligently, violates any provision of this chapter may, upon notice and  
opportunity for hearing, and in addition to any such other penalty  
provided for by law, be subject to suspension, revocation or denial of  
any registration or license, including forfeiture of any application fee,

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

5 7. Also pursuant to RSA 397-A:21 every person who directly or indirectly  
6 controls a person liable under this section, every partner, principal  
7 executive officer or director of such person, every person occupying a  
8 similar status or performing a similar function, every employee of such  
9 person who materially aids in the act constituting the violation, and  
10 every licensee or person acting as a common law agent who materially aids  
11 in the acts constituting the violation, either knowingly or negligently,  
12 may, upon notice and opportunity for hearing, and in addition to any  
13 other penalty provided for by law, be subject to suspension, revocation,  
14 or denial of any registration or license, including the forfeiture of any  
15 application fee, or the imposition of an administrative fine not to  
16 exceed \$2,500, or both.

17 8. Pursuant to RSA 383:10-d, the commissioner shall have exclusive  
18 authority and jurisdiction to investigate conduct that is or may be an  
19 unfair or deceptive act or practice under RSA 358-A and exempt under RSA  
20 358-A:3, I or that may violate any of the provisions of Titles XXXV and  
21 XXXVI and administrative rules adopted thereunder. The commissioner may  
22 hold hearings relative to such conduct and may order restitution for a  
23 person or persons adversely affected by such conduct.

24 **RELIEF REQUESTED**

25 The staff of the Banking Department requests the Commissioner take the  
following action:

1. Find as fact the allegations contained in section I of the Statement of  
Allegations of this petition.

