

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 07-314
))
3 State of New Hampshire Banking) Order to Show Cause
))
4 Department,)
))
5 Petitioner,)
))
6 and)
))
7 Mortgage Results Corporation and)
))
8 Craig A. Good,)
))
9 Respondents

10
11 NOTICE OF ORDER

12 This Order commences an adjudicative proceeding under the provisions of
13 RSA 397-A:17, RSA 541-A, BAN 200 and JUS 800.

14 LEGAL AUTHORITY AND JURISDICTION

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

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 have the right to request a hearing on this
24 Order to Show Cause, as well as the right to be represented by counsel at
25 each 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 respondents
or the duly authorized agent of the above named respondents, and shall be

1 delivered either by hand or certified mail, return receipt requested, to the
2 Banking Department, State of New Hampshire, 64B Old Suncook Road, Concord, NH
3 03301. Such hearings will be scheduled within 10 days of the request. If the
4 Respondents fail to appear at the hearing after being duly notified, such
5 person shall be deemed in default, and the proceeding may be determined against
6 the Respondent upon consideration of the Order to Show Cause, the allegations
7 of which may be deemed to be true.

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

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

15 The Staff Petition dated December 4, 2007 (a copy of which is attached
16 hereto) is incorporated by reference hereto.

17 **ORDER**

18 WHEREAS, finding it necessary and appropriate and in the public
19 interest, and consistent with the intent and purposes of the New Hampshire
20 banking laws, and

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

23 It is hereby ORDERED, that the Respondent shall show cause why:

- 24 1. Administrative penalties of \$2,500.00 should not be imposed
25 against each named Respondent; and
2. Statutory penalties of \$3,850.00 should not be imposed; and
3. Respondent Mortgage Results Corporation's license should not
be revoked; and

It is hereby ORDERED that:

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 07-314
)
 3 State of New Hampshire Banking) Staff Petition
)
 4 Department,)
)
 5 Petitioner,) December 4, 2007
)
 6 and)
)
 7 Mortgage Results Corporation and)
)
 8 Craig A. Good,)
)
 9 Respondent)

10
11 STATEMENT OF ALLEGATIONS

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

- 14 1. On or about September 17, 2007 the Department was scheduled to
15 begin an examination of Mortgage Results Corporation (hereinafter
16 "Respondent Mortgage").
- 17 2. Craig A. Good (hereinafter "Respondent Good") is President and
18 100% owner of Respondent Mortgage.
- 19 3. Respondent is licensed as a Mortgage Broker and at all times
20 relevant to this action held a Department license since at least
21 2003.
- 22 4. The Department sent a notice of an upcoming examination to the
23 Respondent via US Certified Mail on August 22, 2007 (mail piece
24 number 7006 3450 0000 0610 0143). The Respondent received and
25 signed for the notice on or about August 28, 2007.
5. Respondent Good confirmed he had received the notice via a

1 telephone call to the Department on or about August 29, 2007.

2 6. On or about September 7, 2007 Respondent Good notified the
3 Department via telephone that he was having difficulty gathering
4 the required materials for the examination.

5 7. On or about September 28, 2007 Respondent Good notified the
6 Department via telephone that the accountant was drafting the
7 quarterly financial statements.

8 8. The Department sent a final notice to the Respondent via US
9 Certified Mail and on or about November 15, 2007 (mail piece
10 number 7007 1490 0000 0420 3429). The notice was returned to the
11 Department by the Post Office because the addressee moved and
12 left no forwarding address.

13 9. The final notice was also emailed with delivery confirmation on
14 November 15, 2007. The respondent read the email on November 15,
15 2007.

16 10. To date the Respondent has failed to facilitate the examination.

17 11. September 18, 2007 was the end of the 21-day grace period.

18 12. It has been 77 days since September 18th without any production of
19 documents.

20
21 **ISSUES OF LAW**

22 The staff of the Department, alleges the following issues of law:

23 1. The Department realleges the above stated facts in paragraphs 1
24 through 11.

25 2. The Department has jurisdiction over the licensing and
regulation of persons engaged in mortgage broker activities

1 pursuant to NH RSA 397-A:3.

2 3. Pursuant to New Hampshire Banking law, RSA 397-A:12 the
3 Department may examine the business affairs of any licensee or
4 any other person, whether licensed or not, as it deems necessary
5 to determine compliance with this Chapter and the rules adopted
6 pursuant to it and with the Consumer Credit Protection Act, as
7 amended (15 U.S.C. 1601 et seq.). In determining compliance,
8 the Department may examine the books, accounts, records, files,
9 and other documents or matters of any licensee or person. RSA
10 397-A:12 further requires every person being examined, and all
11 of the officers, directors, employees, agents, and
12 representatives of such person shall make freely available to
13 the commissioner or his examiners, the accounts, records,
14 documents, files, information, assets, and matters in their
15 possession or control relating to the subject of the examination
16 and shall facilitate the examination. The Respondent violated
17 this provision by failing to facilitate the examination.

18 4. RSA 397-A:11 provides for a fine of \$50 per day for every day
19 that records are not produced after 21 days.

20 5. RSA 397-A:21 IV provides that any person who, either knowingly
21 or negligently, violates any provision of Chapter 397-A, may
22 upon hearing, and in addition to any other penalty provided for
23 by law, be subject to an administrative fine not to exceed
24 \$2,500, or both. Each of the acts specified shall constitute a
25 separate violation, and such administrative action or fine may
 be imposed in addition to any criminal penalties or civil

1 liabilities imposed by New Hampshire Banking laws.

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

18 **RELIEF REQUESTED**

19 The staff of the Department requests the Commissioner take the following

20 Action:

- 21 1. Find as fact the allegations contained in section I of this petition;
- 22 2. Make conclusions of law relative to the allegations contained in
23 section II of the this petition;
- 24 3. Order the Respondents to Show Cause why its license should not be
25 revoked;
4. Assess fines and administrative penalties in accordance with RSA 397-

1 A:21, for violations of Chapter 397-A, in the number and amount equal
2 to the violations set forth in section II of this petition; and
3 5. Take such other administrative and legal actions as necessary for
4 enforcement of the New Hampshire Banking Laws, the protection of New
5 Hampshire citizens, and to provide other equitable relief.

6 **RIGHT TO AMEND**

7 The Department reserves the right to amend this Staff Petition and to
8 request that the Commissioner take additional administrative action.
9 Nothing herein shall preclude the Department from bringing additional
10 enforcement action under RSA 397-A or the regulations thereunder.

11
12 Respectfully submitted by:

13
14 /S/ _____
15 James Shepard
16 Staff Attorney

12/4/07
Date