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State of New Hampshire Banking Department

In re the Matter of:)	Case No.: 08-206
)	
State of New Hampshire Banking)	
Department,)	Order to Show Cause
)	
Petitioner,)	
)	
and)	
)	
Pacific Union Financial, LLC, and Evan)	
)	
Stone,)	
)	
Respondents)	

NOTICE OF ORDER

This Order commences an adjudicative proceeding under the provisions of RSA 397-A and RSA 541-A.

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 and penalties for violations of New Hampshire Banking laws should not be imposed.

Pursuant to RSA 397-A:18, the Department has the authority to issue a complaint setting forth charges whenever the Department is of the opinion that the licensee or person over whom the Department has jurisdiction is violating or has violated any provision of RSA Chapter 397-A, or any rule or order thereunder.

Pursuant to RSA 397-A:20, the Commissioner may issue, amend, or rescind such orders as are reasonably necessary to comply with the provisions of the Chapter.

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

5 Pursuant to RSA 383:10-d, the Commissioner shall investigate conduct
6 that is or may be an unfair or deceptive act or practice under RSA 358-A and
7 exempt under RSA 358-A:3,I or that may violate any of the provisions of
8 Titles XXXV and XXXVI and administrative rules adopted thereunder. The
9 Commissioner may hold hearings relative to such conduct and may order
10 restitution for a person or persons adversely affected by such conduct. The
11 Commissioner may utilize all remedies available under the Consumer
12 Protection Act.

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

14 The above named Respondents have the right to request a hearing on
15 this Order to Show Cause, as well as the right to be represented by counsel
16 at each Respondent's own expense. All hearings shall comply with RSA 541-A.
17 Any such request for a hearing shall be in writing, and signed by the
18 Respondent or the duly authorized agent of the above named Respondent, and
19 shall be delivered either by hand or certified mail, return receipt
20 requested, to the Banking Department, State of New Hampshire, 53 Regional
21 Drive, Suite 200, Concord, NH 03301. Such hearings will be scheduled within
22 10 days of the Department's receipt of the request. If the Respondent fails
23 to appear at the hearing after being duly notified, such person shall be
24 deemed in default, and the proceeding may be determined against the Respondent
25 upon consideration of the Order to Show Cause, the allegations of which may be

1 deemed to be true.

2 If any of the above named Respondents fails to request a hearing within
3 30 calendar days of receipt of such order or reach formal settlement with the
4 Department within that time frame, then such person shall likewise be deemed
5 in default, and the orders shall, on the thirty-first day, become permanent,
6 and shall remain in full force and effect until and unless later modified or
7 vacated by the Commissioner, for good cause shown.

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

9 The Staff Petition dated January 2, 2009 (a copy of which is attached
10 hereto) is incorporated by reference hereto.

11 **ORDER**

12 WHEREAS, finding it necessary and appropriate and in the public
13 interest, and consistent with the intent and purposes of the New Hampshire
14 banking laws, and

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

17 It is hereby ORDERED, that:

- 18 1. Respondent Pacific Union Financial, LLC ("Respondent Pacific
19 Union") shall show cause why penalties in the amount of
20 \$2,500.00 should not be imposed against it;
- 21 2. Respondent Evan Stone ("Respondent Stone") shall show cause
22 why penalties in the amount of \$5,000.00 should not be
23 imposed against him;
- 24 3. The above named Respondents shall show cause why, in addition
25 to the penalties listed in Paragraphs 1 through 2 above, the

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 08-206
3 State of New Hampshire Banking)
4 Department,) Staff Petition
5 Petitioner,) January 2, 2009
6 and)
7 Pacific Union Financial, LLC, and Evan)
8 Stone,)
9 Respondents)

10 I. STATEMENT OF ALLEGATIONS

11 The Staff of the Banking Department, State of New Hampshire (hereinafter
12 "Department") alleges the following facts:

13 Facts Common on All Counts:

- 14 1. Respondent Pacific Union Financial, LLC (hereinafter "Pacific
15 Union") was licensed as a Mortgage Banker from at least October
16 18, 2006 until it surrendered its license on July 30, 2007.
- 17 2. Respondent Evan Stone (hereinafter "Respondent Stone") was the
18 Manager and President of Respondent Pacific Union, when licensed
19 by the Department.

20 Violation of RSA 397-A:12,V Failure to Pay Examination Fee (1 Count):

21 Violation of RSA 397-A:13,VI Failure of Officer and Owner to Respond to

22 Department Inquiries (1 Count):

- 23 3. Paragraphs 1 through 2 are hereby realleged as fully set forth
24 herein.
- 25 4. The Department conducted an examination of Respondent Pacific

1 Union on October 8, 2007, for activities that occurred while
2 Respondent Pacific Union was licensed with the Department.

3 5. On January 18, 2008, the Department mailed the report of
4 examination and invoice for \$500.00 to Respondent Pacific Union,
5 via U.S. Certified Mail Return Receipt requested, which
6 Respondents received on January 28, 2008.

7 6. The above named Respondents failed to respond to the January 18,
8 2008 correspondence from the Department.

9 7. The Department, via U.S. mail, mailed a second notice on March 5,
10 2008 and a third notice on April 16, 2008.

11 8. The above named Respondents did not respond to any of the three
12 notices for payment of the \$500.00 invoice.

13 9. To date, the above named Respondents still owe the \$500.00
14 examination fee for the one day examination.

15 **II. ISSUES OF LAW**

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

17 1. The Department realleges the above stated facts in Paragraphs 1
18 through 9 as fully set forth herein.

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

22 3. RSA 397-A:12,V provides that the expense of such examination shall
23 be chargeable to and paid by the licensee. Each of the above
24 named Respondents violated this provision on at least one
25 occasion as alleged above. To date, the above named Respondents

1 have failed to pay the \$500.00 examination invoice.

2 4. RSA 397-A:13,VI provides that any officer, owner, manager or agent
3 of any licensee shall reply promptly in writing, or other
4 designated form, to any written inquiry from the Department.
5 Respondent Stone violated this provision on at least one occasion
6 as alleged above.

7 5. RSA 397-A:18,I provides that the Department may issue a complaint
8 setting forth charges whenever the Department is of the opinion
9 that the licensee or person over whom the Department has
10 jurisdiction, has violated any provision of RSA 397-A or orders
11 thereunder.

12 6. RSA 397-A:21,IV provides that any person who, either knowingly or
13 negligently, violates any provision of Chapter 397-A, may upon
14 hearing, and in addition to any other penalty provided for by
15 law, be subject to an administrative fine not to exceed
16 \$2,500.00, or both. Each of the acts specified shall constitute
17 a separate violation, and such administrative action or fine may
18 be imposed in addition to any criminal penalties or civil
19 liabilities imposed by New Hampshire Banking laws.

20 7. RSA 397-A:21,V provides that every person who directly or
21 indirectly controls a person liable under this section, every
22 partner, principal executive officer or director of such person,
23 every person occupying a similar status or performing a similar
24 function, every employee of such person who materially aids in the
25 act constituting the violation, and every licensee or person acting

1 as a common law agent who materially aids in the acts constituting
2 the violation, either knowingly or negligently, may, upon notice
3 and opportunity for hearing, and in addition to any other penalty
4 provided for by law, be subject to suspension, revocation, or
5 denial of any registration or license, including the forfeiture of
6 any application fee, or the imposition of an administrative fine
7 not to exceed \$2,500, or both. Each of the acts specified shall
8 constitute a separate violation, and such administrative action or
9 fine may be imposed in addition to any criminal or civil penalties
10 imposed.

11 **III. RELIEF REQUESTED**

12 The staff of the Department requests the Commissioner take the following
13 action:

- 14 1. Find as fact the allegations contained in section I of this Staff
15 Petition;
- 16 2. Make conclusions of law relative to the allegations contained in
17 section II of this Staff Petition;
- 18 3. Pursuant to RSA 397-A:17, order each of the above named
19 Respondents to show cause why their license should not be revoked;
- 20 4. Assess fines and administrative penalties in accordance with RSA
21 397-A:21, for violations of Chapter 397-A, in the number and amount
22 equal to the violations set forth in section II of this Staff
23 Petition; and
- 24 5. Take such other administrative and legal actions as necessary for
25 enforcement of the New Hampshire Banking Laws, the protection of

