

1 State of New Hampshire Banking Department

2	In re the Matter of:	)	Case No.: 09-066
		)	
3	State of New Hampshire Banking	)	
4	Department,	)	Order to Show Cause
		)	
5	Petitioner,	)	
		)	
6	and	)	
		)	
7	Priority Lending Group, Inc. (d/b/a	)	
		)	
8	Chamberland Financial Group), and	)	
		)	
9	Russell Chamberland,	)	
		)	
10	Respondents	)	

11 NOTICE OF ORDER

12 This Order to Show Cause commences an adjudicative proceeding under  
13 the provisions of RSA Chapter 397-A and RSA Chapter 541-A.

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

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

24 Pursuant to RSA 397-A:20,IV, the Commissioner may issue, amend, or  
25 rescind such orders as are reasonably necessary to comply with the

1 provisions of the Chapter.

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

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

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 Chapter  
17 541-A. 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 a Respondent fails to  
23 appear at the hearing after being duly notified, such person shall be deemed  
24 in default, and the proceeding may be determined against the Respondent upon  
25 consideration of this 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 a formal written and  
4 executed settlement with the Department within that time frame, then such  
5 person shall likewise be deemed in default, and the orders shall, on the  
6 thirty-first day, become permanent, and shall remain in full force and effect  
7 until and unless later modified or vacated by the Commissioner, for good cause  
8 shown.

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

10 The Staff Petition dated April 30, 2010 (a copy of which is attached  
11 hereto) is incorporated by reference hereto.

12 **ORDER**

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

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

18 It is hereby ORDERED, that:

- 19 1. Respondent Priority Lending Group, Inc. (d/b/a Chamberland  
20 Financial Group) ("Respondent Priority Lending") shall show  
21 cause why penalties in the amount of \$5,000.00 should not be  
22 imposed against it;
- 23 2. Respondent Russell Chamberland ("Respondent Chamberland")  
24 shall show cause why penalties in the amount of \$7,500.00  
25 should not be imposed against him;

1           3. The above named Respondents shall show cause why, in addition  
2           to the penalties listed in Paragraphs 1 through 2 above, the  
3           \$1,800.00 examination fee should not be paid to the  
4           Department;

5           4. The above named Respondents shall show cause why, in addition  
6           to the penalties listed in Paragraphs 1 through 3 above, the  
7           accrued fine of \$7,200.00 for the late filing of examination  
8           materials should not be paid to the Department;

9           5. Respondents shall be jointly and severally liable for the  
10          above amounts alleged in Paragraphs 1 through 4 above;

11          6. The above named Respondents shall show cause why, in addition  
12          to the penalties listed in Paragraphs 1 through 5 above,  
13          Respondent Priority Lending's license should not be revoked.

14          It is hereby further ORDERED that:

15          7. Along with the administrative penalties listed for the above  
16          named Respondents, the outstanding sum of \$9,000.00 plus each  
17          individual consumer's restitution listed above shall be  
18          immediately paid; and

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1 8. Failure to request a hearing within 30 days of the date of  
2 receipt or valid delivery of this Order to Show Cause shall  
3 result in a default judgment being rendered and  
4 administrative penalties imposed upon the defaulting  
5 Respondent(s).

6  
7 SIGNED,

8  
9 Dated: 04/30/10

/s/

PETER C. HILDRETH  
BANK COMMISSIONER

1 State of New Hampshire Banking Department

2 In re the Matter of: ) Case No.: 09-059  
 )  
 3 State of New Hampshire Banking )  
 )  
 4 Department, ) Staff Petition  
 )  
 5 Petitioner, ) April 30, 2010  
 )  
 6 and )  
 )  
 7 Priority Lending Group, Inc. (d/b/a )  
 )  
 8 Chamberland Financial Group), and )  
 )  
 9 Russell Chamberland, )  
 )  
 10 Respondents )

11 I. STATEMENT OF ALLEGATIONS

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

14 Facts Common on All Counts:

15 1. Respondent Priority Lending Group, Inc. (d/b/a Chamberland  
16 Financial Group) (hereinafter "Respondent Priority Lending") was  
17 licensed as a Mortgage Broker from at least June 26, 2007 until  
18 its license expired on December 31, 2008.

19 2. Respondent Russell Chamberland (hereinafter "Chamberland") was  
20 the 100% owner and President of Respondent Priority Lending, when  
21 licensed by the Department.

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

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

24 Department Inquiries (1 Count):

25 3. Paragraphs 1 through 2 are hereby realleged as fully set forth

1           herein.

2           4. The Department conducted an examination of Respondent Priority  
3           Lending on June 23, 2008, while Respondent Priority Lending was  
4           still licensed with the Department.

5           5. On March 25, 2009, the Department mailed the report of examination  
6           and invoice for \$1,800.00 to Respondent Priority Lending, via  
7           U.S. Certified Mail Return Receipt requested, which Respondents  
8           received on April 10, 2009.

9           6. The above named Respondents failed to respond to the March 25,  
10          2009 correspondence from the Department.

11          7. The Department, via U.S. mail, mailed a second notice on April 30,  
12          2009 and a third notice on June 11, 2009.

13          8. The above named Respondents did not respond to any of the notices  
14          for payment of the \$1,800.00 invoice.

15          9. To date, the above named Respondents still owe the \$1,800.00  
16          examination fee for the 3.6 day examination.

17          **Violation of RSA 397-A:11,II Record Keeping: Failure to Provide Requested**

18          **Files in a Timely Manner (1 Count):**

19          10. Paragraphs 1 through 9 are hereby realleged as fully set forth  
20          herein.

21          11. As mentioned above, the Department conducted an examination of  
22          Respondent Priority Lending on June 23, 2008.

23          12. The Department sent a notification of examination on May 23, 2008  
24          via U.S. Certified Mail Return Receipt requested, which the  
25          Respondents received on June 2, 2008.

1 13. The loan list was due 7 days after Respondents' June 2, 2008  
2 receipt of the notice of examination, which would have been June  
3 9, 2008. The Department received the list on July 28, 2008,  
4 which was 56 days from June 2, 2008.

5 14. The Department then sent via U.S. Certified Mail Return Receipt a  
6 request for loan files, which were actually due August 4, 2008  
7 based on the Department's previous July 23, 2008 correspondence.  
8 The request was dated September 15, 2008, which Respondents  
9 received on September 16, 2008. The Department received the loan  
10 files on January 5, 2009.

11 15. The Department did not receive the examination documents until  
12 January 5, 2009, which was 144 days after the due date. The  
13 Department invoiced Respondents \$7,200 (\$50.00 per day x 144  
14 days).

15 16. To date, the \$7,200.00 fine for the late filing of examination  
16 materials is still unpaid.

## 17 II. ISSUES OF LAW

18 The staff of the Department alleges the following issues of law:

- 19 1. The Department realleges the above stated facts in Paragraphs 1  
20 through 16 as fully set forth herein.
- 21 2. The Department has jurisdiction over the licensing and regulation  
22 of persons engaged in mortgage banker or broker activities  
23 pursuant to NH RSA 397-A:2 and RSA 397-A:3.
- 24 3. RSA 397-A:11,II provides that requested files and business records  
25 must be received by the Department within 21 calendar days of



1 request. The licensee will be subject to a \$50.00 a day fine  
2 every day after the 21-day period the records are not produced.  
3 Respondents currently owe \$7,200.00. Each of the above named  
4 Respondents violated this statute on at least one occasion as  
5 alleged above.

6 4. RSA 397-A:12,V provides that the expense of such examination shall  
7 be chargeable to and paid by the licensee. Each of the above  
8 named Respondents violated this provision on at least one occasion  
9 as alleged above. To date, the above named Respondents have  
10 failed to pay the \$1,800.00 examination invoice.

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

16 6. RSA 397-A:17,I provides in part that the Commissioner may by  
17 order, upon due notice and opportunity for hearing, assess  
18 penalties or deny, suspend, or revoke a license or application if  
19 it is in the public interest and the applicant, respondent, or  
20 licensee, any partner, officer, member, or director, any person  
21 occupying a similar status or performing similar functions, or any  
22 person directly or indirectly controlling the applicant,  
23 respondent, or licensee: (a) has violated any provision of RSA  
24 Chapter 397-A or rules thereunder, or (b) has not met the  
25 standards established in RSA Chapter 397-A.

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

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

14 9. RSA 397-A:21,V provides that every person who directly or  
15 indirectly controls a person liable under this section, every  
16 partner, principal executive officer or director of such person,  
17 every person occupying a similar status or performing a similar  
18 function, every employee of such person who materially aids in the  
19 act constituting the violation, and every licensee or person acting  
20 as a common law agent who materially aids in the acts constituting  
21 the violation, either knowingly or negligently, may, upon notice  
22 and opportunity for hearing, and in addition to any other penalty  
23 provided for by law, be subject to suspension, revocation, or  
24 denial of any registration or license, including the forfeiture of  
25 any application fee, or the imposition of an administrative fine

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

5 **III. RELIEF REQUESTED**

6 The staff of the Department requests the Commissioner take the following  
7 action:

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

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