



State of New Hampshire

Banking Department

169 Manchester Street
Concord, New Hampshire 03301

Telephone: (603) 271-3561
FAX: (603) 271-1090

A. ROLAND ROBERGE
BANK COMMISSIONER
ALLAN N. JEANNOTTE
DEPUTY BANK COMMISSIONER
JEAN M. DOBBINS
CHIEF BANK EXAMINER

KATHLEEN L. BELANGER
ADMINISTRATOR, REGULATION & LICENSING
RAYMOND A. HEROUX
CONSUMER CREDIT ADMINISTRATOR

Enclosed is your 1997 license.
Please complete this form and return it
to Linda Austin at the above address.

=====

LICENSING

Licensee Name: Financial Resources & Assistance of the Lakes Region, Inc.

License #: 3050-97MHL

License Type: Second Mortgage Home Loan Lender

Contact Person: Scott Farah Title: President

Direct Mailing Address: PO Box 1158
Meredith, NH 03253

Direct Telephone No.: (603)279-1133

=====

ANNUAL REPORT FILING

Contact Person: Scott Farah Title: President

Direct Mailing Address: Same

Direct Telephone No.: Same

=====

CONSUMER INQUIRIES

Contact Person: Same Title: _____

Direct Mailing Address: _____

Direct Telephone No.: _____

FINANCIAL RESOURCES, INC.

15 NORTHVIEW DRIVE • P.O. BOX 1158 • MEREDITH, NH 03253
(603) 279-1133 • FAX (603) 279-5912

JUN 10 1997

June 5, 1997

State of New Hampshire
Banking Department
169 Manchester Street
Concord, NH 03301

RE: Second Mortgage Home Loan Application

Dear Sir:

In a conversation today with Raymond Heroux I asked him if it was necessary to fully complete my Form 398-2 Verified Application for Second Mortgage Home Loan License since I have held Banker and Broker licenses for 8 years and a Small Loan Lender License since March 26, 1997. He said it was not necessary and that I should note on the application to "refer to previous files". This is what I have done.

If you have any questions please feel free to call.

Sincerely,
FINANCIAL RESOURCES, INC.



Scott Farah
President



PAID
CK. NO. 18869 54-183/117
DATE 5/25/97 6-11-97

Banking Department

169 Manchester Street
Concord, New Hampshire 03301
Telephone: (603) 271-3561
FAX: (603) 271-1090

A. ROLAND ROBERGE
BANK COMMISSIONER
ALLAN N. JEANNOTTE
DEPUTY BANK COMMISSIONER

FORM 398-A-2

**VERIFIED APPLICATION FOR SECOND MORTGAGE
HOME LOAN LICENSE**

KATHLEEN L. BELANGER
ADMINISTRATOR, REGULATION & LICENSING
RAYMOND A. HEROUX
CONSUMER CREDIT ADMINISTRATOR

*License according
to Certificate of
Incorporation*

License Year: 1997

and Renewal Application Fees

Each Office \$250.00

Make Check Payable To:
"STATE OF NEW HAMPSHIRE"

Financial Resources & Assistance of the Lakes Region, Inc.

Complete applications will NOT be processed. Clearly number the question for which the attachment provides a response. Applications filed without payment will not be processed. A separate application fee and a separate surety bond is required for each location to be licensed.

APPLICATION STATUS

1. Check one: New Application Renewal Application (1996 License # (s) _____)

BONDS

2. Attach original \$5,000 surety bond or original continuation certificate for each location to be licensed. Provide expiration date of bond(s) _____ (Must not expire prior to 12/31/97) Provide name and telephone number of insurance agent: Rowley Agency (603) 224-2562
(Name) (Telephone)

NAME AND LEGAL STATUS OF APPLICANT

3. Applicant is a: (check one) Corporation Individual Partnership
Association Other

3a. Name of Applicant: Financial Resources & Assistance, Inc. *of the Lakes Region*

3b. Applicant's federal tax ID number 02-0433840

3c. If a corporation, provide date and state of incorporation, and attach a copy of Certificate of Incorporation.
State: NH Date: 5/18/89

3d. If corporation is not a NH corporation, attach a copy of certificate of registration as a foreign corporation issued by the NH Secretary of State. NA

4. Will applicant do business under a trade name? NO If "yes", provide trade name and attach copy of trade name registration issued by NH Secretary of State.

Trade Name: _____

PRINCIPAL PLACE OF BUSINESS AND OTHER OFFICE LOCATIONS

5. Applicant's principal place of business (Corporate Headquarters Must be licensed - \$250 license fee must be enclosed) :

<u>15 Northview Drive</u>	<u>Meredith</u>	<u>NH</u>	<u>03253</u>
(Street Address)	(City)	(State)	(Zip)
<u>P.O. Box 1158</u>	<u>Meredith</u>	<u>NH</u>	<u>03253</u>
(Mailing Address)	(City)	(State)	(Zip)
<u>(603)279-1133</u>	<u>(603)279-5912</u>		
(Telephone)	(Fax)		

6. Other Offices:

ALL offices from which NH Loans are originated must be licensed (enclose \$250.00 fee for each office). Provide street and mailing addresses, name of manager and direct telephone number for each listed location. (Attach a separate sheet if necessary)

NA

7. If applicant's principal place of business is NOT in New Hampshire, a New Hampshire agent must be designated:

Name of Agent: NA Telephone: _____

Street Address of Agent (N.H.): _____

Mailing Address of Agent: _____

MANAGEMENT

8. President, Chief Executive Officer or Senior Partner of Applicant:

Name Scott D. Farah Title: President

Business Address: Same Same
(Street) (City) (State) (Zip) (Direct Line Telephone)

9. Attach a list of the names, business and residence addresses and titles of the applicant's principal shareholders (10% or more), senior officers and directors of a corporate applicant; the general partners of a general partnership; the general and limited partners of a limited partnership; the members of a limited liability company; or the trustees of a business trust.

SEE #8

10. Attach resumes or similar documents which indicate the lending and/or loan brokering experience of the applicant organization and the organization's officers and managers/senior employees. (Senior Vice President and higher)

Attached is resume of Scott Farah, President

EXPERIENCE AND PAST CONDUCT

11. Attach a list of all current lending and/or loan brokering licenses issued by any other state. Provide name of state, license type, license number and expiration date for each license held.

SEE previous file referenced in letter attached.

12. Has applicant, or any of its owners, directors, partners, members, officers (Sr VP & higher) or managers ever had a lending or loan brokering license revoked, suspended or denied by this or any other state, or been the subject of any formal disciplinary proceeding? Yes _____ No X If yes, provide details on a separate sheet.

13. Has the applicant or any of its owners, directors, partners, members, officers (Sr VP & higher) or managers ever been convicted of a felony?

Yes _____ No X If "yes" furnish complete details, including dates, location, docket number, nature of crime, penalties, etc. on a separate sheet.

SEE previous file referenced
in letter attached.

FINANCIAL CONDITION

14. Financial Statements: Applicants must demonstrate that \$25,000 is available for use at each location to be licensed or that \$25,000 has been invested on second mortgage loans at each location to be licensed. Applicants must submit the following:

14a. Attach a copy of a compiled set of financial statements prepared by a public accountant, certified public accountant or applicant's financial officer, that include, at a minimum, a balance sheet, statement of cash flow and income statement as of most recent quarter end. Statements prepared by an applicant's financial officer must be signed by the preparer and notarized. Individuals, sole proprietors, partnerships, limited liability companies and closely held corporations (less than 20 shareholders) must attach copies of most recent federal income tax returns.

14b. Publicly traded corporations and wholly owned subsidiaries of publicly traded corporations may submit copies of their most recent Securities and Exchange Commission 10K and 10Q forms, or those of their parent corporation, in lieu of financial statements required by 14a. above.

LOAN PRODUCTS

15. Provide a sample of interest rates and fees which the applicant currently charges, or expects to charge on December 1. The annual percentage rate should be as described in Regulation Z of the Federal Reserve Board. Assume a \$20,000 second mortgage with a loan to value ratio of 80% and a 10 year term.

	Interest Rate	Points Charged	Annual % Rate	Application Fee	Appraisal Fee	Credit Report	Other Charges*
Variable Rate	_____	_____	_____	_____	_____	_____	_____
Fixed Rate	12	3	12.41	0	250	50	0

*Itemize "Other Charges" on a separate sheet. Indicate purpose and dollar amount of each item listed.

16. Provide index used on variable rate determination: NA
17. Provide margin on variable rate loans for "A" credit borrowers: NA
18. Indicate the percentage of loans made that are:
 "A" credit 20% "B" credit 50% "C" credit 30% "D" credit and lower %
19. Does the applicant offer any loan products that feature "balloon" payment provisions? NO

SEE previous file referenced in letter attached.

OPERATIONS

20. Attach a detailed narrative description of your operations, including but not limited to, (1) how loans are funded, (2) name(s) loans are closed in, (3) if a broker, a list of all correspondent lenders, (4) applicant's target market/client base, (5) wholesale lending activities, (6) Fannie Mae, Freddie Mac and/or Ginny Mae approvals, if applicable, (7) policies and procedures for processing applications, underwriting and funding, servicing and discharging of mortgage loans.
21. Does the applicant close loans with its own funds or are loans "table-funded"? Both
22. List all offices of applicant where loan applications relating to NH real estate are processed. Give both street and mailing addresses: (Attach additional sheet if necessary)
Meredith Office only
23. List all offices of applicant where loan applications relating to NH real estate are underwritten. Give both street and mailing addresses: (Attach additional sheet if necessary)
Meredith office only
24. List all offices of applicant where loans secured by NH real estate are serviced. Give both street and mailing addresses. (Attach additional sheet if necessary)
Meredith office only

25. If loans secured by NH real estate are serviced by third parties, provide for each third party servicer (1) the name of the servicer, (2) the servicer's mailing and street address, (3) the servicer's telephone number and (4) the name and title of a senior officer: (Attach additional sheet if necessary)

AFFIRMATION

I subscribe and affirm, under penalty of perjury, that the statements made in this application, including statements made in any accompanying papers, have been examined by me and to the best of my knowledge and belief are true, correct and complete, and that I am duly authorized to execute this affirmation.

Date: 6/5/97

Financial Resources & Assistance, Inc.

(Applicant)

By

Title President

State of)
County of) SS.

Personally appeared the above named applicant Financial Resources Inc
by Scott FARMER, its President
(Name) (Title)

hereunto duly authorized, and acknowledged under penalty of perjury the foregoing statements by him/her subscribed to be true.

Dated at Manchester, NH, before me, [Redacted]
Justice of the Peace/Notary Public

this 5th day of June 19 97

MAUREEN E. GLENNON, Notary Public
My Commission Expires September 8, 1999

My Commission expires _____

Bank Commissioner may take up to 120 days to approve or deny an application. Application fees are NON-REFUNDABLE.

Forms NHBD-5 (Authorization Release Form), NHBD-6 (Personal Disclosure Statement) and NHBD-7 (Personal Financial Statement), must be fully completed and filed with this application. (Publicly traded corporations may file most recent SEC 10K and 10Q in lieu of Forms NHBD-5, NHBD-6 and NHBD-7)

OFFICE USE ONLY

Date Received 6-10-97 Date Notified Incomplete _____ Date Complete _____
Check No. 15869 Amount \$ 250.00
Approved _____ Denied _____
Date of Issue _____ License No. _____
Refund? _____ Date _____ Amt. _____ Reason _____

State of New Hampshire
Department of State

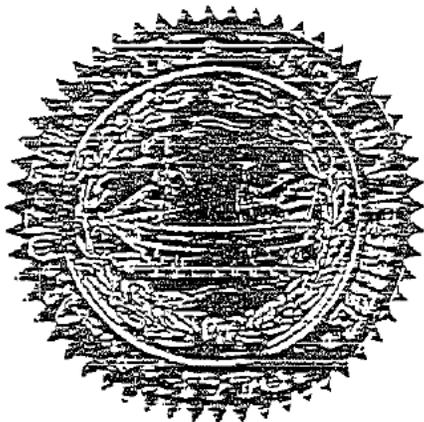
CERTIFICATE OF INCORPORATION

OF

FINANCIAL RESOURCES & ASSISTANCE OF THE
LAKES REGION, INC.

The undersigned, as Deputy Secretary of State of the State of New Hampshire, hereby certifies that duplicate originals of Articles of Incorporation for the incorporation of FINANCIAL RESOURCES & ASSISTANCE OF THE LAKES REGION, INC., duly signed pursuant to the provisions of the New Hampshire Business Corporation Act, have been received in this office.

ACCORDINGLY the undersigned, as such Deputy Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Incorporation of FINANCIAL RESOURCES & ASSISTANCE OF THE LAKES REGION, INC. and attaches hereto a duplicate original of the Articles of Incorporation.



IN TESTIMONY WHEREOF, I hereto
set my hand and cause to be
affixed the Seal of the State
of New Hampshire this 18th
day of May, 1989


Robert P. Ambrose
Deputy Secretary of State

SCOTT D. FARAH
President
FINANCIAL RESOURCES, INC.
15 Northview Drive
Meredith, NH 03253

FINANCIAL RESOURCES, INC.
15 NORTHVIEW DRIVE
P.O. BOX 1158
MEREDITH, NH 03253

EDUCATION

Chartered Financial Consultant 1994
Chartered Life Underwriter 1990
Certificate in Life Insurance Planning 1989
Certificate in Financial Planning 1988

[REDACTED]
Estate Planning Training Course 1988
Financial Products Training Course 1987

[REDACTED]
Financial Planning Skills 1987
The Life Underwriter Training Council LUTC
District of Columbia, City of Washington

Double Major
B.S. in Business Administration Cum laude 1985
B.S. in American History Cum laude 1985

[REDACTED]
Masters in Financial Sciences (in progress)

EMPLOYMENT HISTORY

President
Financial Resources, Inc.
15 Northview Drive
Meredith, NH 03253
April 1989 - Present

Financial Planner
D.E. Dodge & Associates
14 Country Club Road
Laconia, NH 03246
June 1986 - April 1989

Financial Planner

[REDACTED]
June 1985 - June 1986

OUTSIDE ACTIVITIES

Chairman of Finance Committee
Center Harbor Christian Church
Center Harbor, NH

Adult Bible Class Teacher
Center Harbor Christian Church
Center Harbor, NH

BOND No.

NAME OF AGENT The Rowley Agency, Inc.

Fidelity and Deposit Company

HOME OFFICE OF MARYLAND

Application for Miscellaneous FOR JUDICIAL AND MISCELLANEOUS

(Do Not Use for Construction or C

Full Name of Applicant Financial Resources & Assistance c
(If Applicant is a Partnership, give Names of A

Address 15 Northview Drive, Meredith, NH 03253

Amount of bond required, \$ 5,000.00 Effective from June 9, 1997

Bond required by State of New Hampshire, Dept. of Banki

Address Manchester Street, Concord, NH

State below fully the nature of the guarantee required, and transmit copies applied for, as same will facilitate actio

he bond

otherwise

2nd Mortgage Broker Bond

STATEMENT OF ASSETS AND LIABILITIES—Agents must have applicant it will be returned. In lieu thereof a signed and dated statement of assets and

DATE OF STATEMENT June 9, 1997

CURR

CURRENT ASSETS

Cash in [REDACTED] 28 000
(Name and Location of Bank)

" [REDACTED]
(Name and Location of Bank)

Cash on hand

Stocks, Bonds, etc., market value (Attach list)

Accounts Receivable:

Less than 30 days old \$ 25,000

30-60 days old \$ 52,000

Over 60 days old \$ 40,000

TOTAL ACCOUNTS RECEIVABLE 117 000

Stock of Supplies, Inventory (State nature and amt.)

Total (current) 145 000

FIXED ASSETS

Notes Receivable 223 000

Real Estate. (Give location and description, and appraised value of each parcel)

1. \$

2. \$

3. \$

4. \$

TOTAL VALUE OF REAL ESTATE

In whose name is title? 1. 2.

3. 4.

Equipment at book value

Other assets consisting of

TOTAL ASSETS 368 000

Notes Payable—to banks and others

1 [REDACTED] \$ 25K due 6/30/97 25 000

2 To \$ due

3 To \$ due

TOTAL NOTES PAYABLE

How secured? 1. unsecured

2. 3.

Borrowed or due on stocks and bonds

Accounts Payable:

Not past due \$ 6,300 6 300

Past due \$ 31 300

TOTAL ACCOUNTS PAYABLE

Income Taxes—Unpaid Balances and Reserves

All Other Taxes and Accruals

Total (current) 31 300

FIXED LIABILITIES

Borrowed or due on Real Estate (Give name of mortgage holder and amount of mortgage on each parcel)

1. \$

2. \$

3. \$

4. \$

TOTAL AMOUNT OF MORTGAGES

Mortgage(s) on equipment

Other liabilities consisting of

Capital stock

Surplus and Undivided Profits

Net Worth (if individual or partnership)

TOTAL LIABILITIES 31,300

It is hereby agreed that any person, firm or corporation, and any financial institution may confirm any inquiry made by the Company or its representatives as to any statement made herein relative to moneys on deposit or borrowed money.

1. State lines of business in which you are engaged and give particulars Mortgage Broker

2. Give particulars of any law suits, judgments or liens pending against you none

3. Amount of liability as endorser or surety for others \$

4. Have you ever failed in business? no

5. Have you arranged a bank loan for the purpose of handling this proposition? no (Yes or No)

If so, state (Name of Bank) (Amount of Loan)

6. Do you carry Fidelity Bonds on your employees who handle funds? NA (Date it Must be Repaid) (Security Given Bank for Repayment)

7. Give particulars in separate schedule as to any other Surety Bonds outstanding on your behalf as principal

Give below the names and addresses of persons or corporations acquainted with you in a business way

NAME	BUSINESS	CITY AND STREET ADDRESS

6/9/97

This is a copy of the bond application. I will forward bond as soon as I receive it.

BOND NO.

NAME OF AGENT The Rowley Agency, Inc.

Fidelity and Deposit Company

HOME OFFICE OF MARYLAND BALTIMORE, MD. 21203

Application for Miscellaneous Bonds FOR JUDICIAL AND MISCELLANEOUS SURETY DEPARTMENT

(Do Not Use for Construction or Court Bonds)

Full Name of Applicant Financial Resources & Assistance of the Lakes Region, Inc.

(If Applicant is a Partnership, give Names of All Partners, if a Corporation, give Names of All Officers)

Address 15 Northview Drive, Meredith, NH 03253 Principal Office Meredith, NH

Amount of bond required, \$ 5,000.00 Effective from June 9, 1997

Bond required by State of New Hampshire, Dept. of Banking

Address Manchester Street, Concord, NH

State below fully the nature of the guarantee required, and transmit copies of all agreements or important papers pertinent to the bond applied for, as same will facilitate action on this application.

2nd Mortgage Broker Bond

STATEMENT OF ASSETS AND LIABILITIES—Agents must have applicant show date of statement and complete it in detail, otherwise it will be returned. In lieu thereof a signed and dated statement of assets and liabilities of the applicant may be attached hereto.

DATE OF STATEMENT June 9, 1997

CURRENT ASSETS

Cash in [REDACTED] 28,000

(Name and Location of Bank)

" [REDACTED]

(Name and Location of Bank)

Cash on hand

Stocks, Bonds, etc., market value (Attach list)

Accounts Receivable:

Less than 30 days old \$ 25,000

30-60 days old \$ 52,000

Over 60 days old \$ 40,000

TOTAL ACCOUNTS RECEIVABLE 117,000

Stock of Supplies, Inventory (State nature and amt.)

Total (current) 145,000

FIXED ASSETS

Notes Receivable 223,000

Real Estate. (Give location and description, and appraised value of each parcel)

1. \$

2. \$

3. \$

4. \$

TOTAL VALUE OF REAL ESTATE

In whose name is title? 1. 2.

3. 4.

Equipment at book value

Other assets consisting of

TOTAL ASSETS 368,000

CURRENT LIABILITIES

Notes Payable—to banks and others

1 [REDACTED] \$ 25K due 6/30/97 25,000

2 To \$ due

3 To \$ due

TOTAL NOTES PAYABLE

How secured? 1. unsecured

2. 3.

Borrowed or due on stocks and bonds

Accounts Payable:

Not past due \$ 6,300 6,300

Past due \$

TOTAL ACCOUNTS PAYABLE 31,300

Income Taxes—Unpaid Balances and Reserves

All Other Taxes and Accruals

Total (current) 31,300

FIXED LIABILITIES

Borrowed or due on Real Estate (Give name of mortgage holder and amount of mortgage on each parcel)

1. \$

2. \$

3. \$

4. \$

TOTAL AMOUNT OF MORTGAGES

Mortgage(s) on equipment

Other liabilities consisting of

Capital stock

Surplus and Undivided Profits

Net Worth (if individual or partnership)

TOTAL LIABILITIES 31,300

It is hereby agreed that any person, firm or corporation, and any financial institution may confirm any inquiry made by the Company or its representatives as to any statement made herein relative to moneys on deposit or borrowed money.

1. State lines of business in which you are engaged and give particulars Mortgage Broker

2. Give particulars of any law suits, judgments or liens pending against you none

3. Amount of liability as endorser or surety for others \$

4. Have you ever failed in business? NO

5. Have you arranged a bank loan for the purpose of handling this proposition? NO (Yes or No)

If so, state (Name of Bank) (Amount of Loan)

6. Do you carry Fidelity Bonds on your employees who handle funds? NA (Date it Must be Repaid) (Security Given Bank for Repayment)

7. Give particulars in separate schedule as to any other Surety Bonds outstanding on your behalf as principal

Give below the names and addresses of persons or corporations acquainted with you in a business way

NAME	BUSINESS	CITY AND STREET ADDRESS

The undersigned does or do hereby represent that the statements made herein as an inducement to the Fidelity and Deposit Company of Maryland, its successors and assigns, (hereinafter called Company) to execute the bond applied for herein, are true, and, should the Company execute said bond, does or do hereby agree as follows: FIRST, to pay to the Company in advance for the bond applied for herein an initial premium charge of \$.....based on the Company's rates in force as of the effective date of the said bond and to pay any renewal or additional premiums which are provided for in said rates until the Company shall be discharged and released from all liability and satisfactory written evidence of such discharge is delivered to the Company at its Home Office in Baltimore, Maryland; SECOND, to indemnify the Company against all loss, costs, damages, expenses and attorneys' fees whatever, and any and all liability therefor, which the Company may sustain or incur by reason of executing said bond, in making any investigation on account thereof, in prosecuting or defending any action which may be brought in connection therewith, in obtaining a release therefrom, and in enforcing any of the agreements in any of the paragraphs herein contained. Payment of any such amounts shall be made to the Company by the undersigned as soon as the Company shall be liable therefor, whether or not it shall have paid out any portion thereof; THIRD, that the Company shall have the right, and is hereby authorized, but not required; (a) to adjust, settle or compromise any claim, demand, suit or judgment upon said bond, unless the undersigned shall request the Company to litigate such claim or demand or defend such suit or to appeal from such judgment, and shall deposit with the Company collateral satisfactory to it in kind and amount; (b) to assent to any change whatsoever in said bond and/or any contract or contracts referred to in said bond and/or in the general conditions, plans and/or specifications accompanying said contract or contracts and to assent to or take any assignment or assignments, to execute or consent to the execution of any continuations, extensions or renewals of said bond and to execute any substitute or substitutes therefor, with the same or different conditions, provisions and obligees and with the same or larger or smaller penalties, all of the aforesaid without notice to or knowledge of the undersigned, it being hereby agreed that this instrument shall in all its terms apply accordingly even though the resultant liability thereof is cumulative; and (c) to fill up any blank or blanks left herein, and to correct any errors in filling up any such blank or blanks, it being hereby agreed that any such insertion or correction shall be prima facie correct; FOURTH, that if said bond be a contract bond guaranteeing performance of a contract to furnish supplies, to assign, transfer and set over, and does or do hereby assign, transfer and set over to the Company, as collateral, to secure the obligations herein, such assignment to become effective as of the date of the said bond but only in event of (1) any abandonment, forfeiture or breach of said contract or of any breach of said bond or (2) of any assignment by the undersigned for the benefit of creditors, or of the appointment, or of any application for the appointment, of a receiver or trustee for the undersigned, whether insolvent or not; (a) all the right, title and interest of the undersigned in and to all machinery, equipment, plant, tools and materials which are now, or may hereafter be, about or upon the premises where the supplies covered by said bond are being manufactured or assembled, including as well materials purchased for or chargeable to such contract, which may be in process of construction, or storage elsewhere, or in transportation to said premises, with full right and power in the Company to enter upon said premises and to use said machinery, equipment, plant, tools and materials in completing the work provided for in said contract without any liability on the part of the Company to pay rent or other compensation therefor; and (b) any and all percentages retained on account of said contract, and any and all sums that may be due under said contract at the time of such abandonment, forfeiture or breach, or that thereafter may become due; FIFTH, that in event of payment, settlement or compromise, in good faith, of liability, loss, costs, damages, attorneys' fees and expenses, claims, demands, suits and judgments as aforesaid, an itemized statement thereof, sworn to by any officer of the Company, or the voucher or vouchers or other evidence of such payment, settlement or compromise shall be prima facie evidence of the fact and extent of the liability of the undersigned in any claim or suit hereunder; SIXTH, to waive, and does or do hereby waive, all right to claim any property, including homestead, as exempt from levy, execution, sale or other legal process under the law of any state or states; SEVENTH, that the Company shall have the absolute right to cancel said bond in accordance with any cancellation provision therein contained, or to procure its release from said bond under any law for the release of sureties, and the Company is hereby released from any damages that may be sustained by the undersigned by reason of such cancellation or release; EIGHTH, that this obligation shall be for the benefit of any person or company that may join with the Company in executing said bond, or that may, at the request of the Company, execute said bond, and also for the benefit of any company or companies that may assume reinsurance upon said bond; NINTH, that separate suits may be brought to recover hereunder as causes of action shall accrue, and the bringing of suit or the recovery of judgment upon any cause of action shall not prejudice or bar the bringing of other suits upon other causes of action, whether theretofore or thereafter arising; TENTH, that nothing herein contained shall be construed to waive or abridge any right or remedy which the Company might have if this instrument were not executed; and ELEVENTH, that this agreement shall be binding upon the undersigned and each of them whether signing as applicant for said bond or as indemnitior, jointly and severally, and upon the respective heirs, executors, administrators, successors and assigns of the undersigned, and shall be liberally construed as against the undersigned; TWELFTH, that the Company shall have the right to decline to execute said bond, and that if said bond shall be a bid or proposal bond and the Company shall execute the same, the Company shall have the right to decline to execute any or all other bonds that may be required in connection with any award that may be made under the proposal for which the bid or proposal bond is given; THIRTEENTH, that the undersigned shall continue to remain bound under the terms of this instrument on account of said bond even though the Company may from time to time hereafter, with or without notice to or knowledge of the undersigned, accept other or additional agreements of indemnity on similar or other forms to indemnify it in connection with the execution or procurement of said bond, it being hereby expressly understood and agreed by the undersigned that any and all other rights which the Company may have or acquire against the undersigned and/or others under any such other or additional agreements of indemnity shall be in addition to, and not in lieu of, the rights afforded the Company under this instrument.

Signed, sealed and dated this.....day of....., 19.....

If INDIVIDUAL sign here:

Witness:.....(SEAL)

If CO-PARTNERSHIP, co-partnership and all co-partners sign here:

.....(SEAL)
(Name of co-partnership)

Witness:.....(SEAL)
(Individually and as a co-partner)

Witness:.....(SEAL)
(Individually and as a co-partner)

Witness:.....(SEAL)
(Individually and as a co-partner)

If CORPORATION, imprint corporate seal and sign here:

Attest: [Redacted] Secretary
By: [Redacted] President

FINANCIAL RESOURCES & ASSISTANCE OF THE LAKES REGION, INC. (Notary Public)

ADDITIONAL INDEMNITY Scott D. Farah; President

In consideration of the Fidelity and Deposit Company of Maryland, its successors and assigns, executing, or procuring the execution of, or refraining from presently exercising its right to cancel, the bond herein applied for, we jointly and severally join in the foregoing agreement; and the undersigned, if a corporation, warrants that it is financially interested in the performance of the obligation which said bond applied for is given to secure, and asserts that it is fully empowered to obligate itself hereby:

Signed, sealed and dated this 9th day of June, 1997

Witness: [Redacted] (Indemnitior) (SEAL)

Witness: [Redacted] Scott D. Farah; Individually (Indemnitior) (SEAL)

Witness: [Redacted] (Indemnitior) (SEAL)

Witness: [Redacted] (Indemnitior) (SEAL)

Witness: [Redacted] (Indemnitior) (SEAL)

Must be acknowledged before Notary Public by Indemnitior(s).

STATE OF New Hampshire
COUNTY OF Belknap

On this 9th day of June, 1997, before me personally appeared

to me known to be the person(s) or member(s) of the partnership or officer(s) of the corporation that signed the foregoing instrument and acknowledged the execution of the same to me.

(Notary Public) MAHEEN E. GILL
My commission expires September 8, 1999

If Indemnitior is a corporation, a certified copy of resolution of Board of Directors authorizing officers to execute agreement must accompany this application.



State of New Hampshire

Banking Department

169 Manchester Street
Concord, New Hampshire 03301

Telephone: (603) 271-3561
FAX: (603) 271-1090

KATHLEEN L. BELANGER
ADMINISTRATOR, REGULATION & LICENSING
RAYMOND A. HEROUX
CONSUMER CREDIT ADMINISTRATOR

Copy of orig sent in already

ROLAND ROBERGE
BANK COMMISSIONER
KELLY N. JEANNOTTE
DEPUTY BANK COMMISSIONER
DEAN M. DOBBINS
CHIEF BANK EXAMINER

FORM 398-A-2

VERIFIED APPLICATION FOR SECOND MORTGAGE HOME LOAN LICENSE

License Year: 1997

New and Renewal Application Fees

Each Office \$250.00

Make Check Payable To:

"STATE OF NEW HAMPSHIRE"

Attached is original bond -

Fully complete all items. Incomplete applications will NOT be processed. Clearly number all attachments to correspond to the question for which the attachment provides a response. Ensure all forms are properly signed and notarized. Applications filed without payment will not be processed. A separate application fee and a separate surety bond is required for each location to be licensed.

APPLICATION STATUS

1. Check one: New Application Renewal Application (1996 License # (s) _____)

BONDS

2. Attach original \$5,000 surety bond or original continuation certificate for each location to be licensed. Provide expiration date of bond(s) _____ (Must not expire prior to 12/31/97) Provide name and telephone number of insurance agent: Rowley Agency (603) 224-2562
(Name) (Telephone)

NAME AND LEGAL STATUS OF APPLICANT

Applicant is a: (check one) Corporation Individual Partnership
Association Other

3a. Name of Applicant: Financial Resources & Assistance, Inc.

3b. Applicant's federal tax ID number 02-0433840

3c. If a corporation, provide date and state of incorporation, and attach a copy of Certificate of Incorporation.
State: NH Date: 5/18/89

FINANCIAL RESOURCES, INC.

15 NORTHVIEW DRIVE • P.O. BOX 1158 • MEREDITH, NH 03253

(603) 279-1133 • FAX (603) 279-5912

COPY

June 5, 1997

State of New Hampshire
Banking Department
169 Manchester Street
Concord, NH 03301

RE: Second Mortgage Home Loan Application

Dear Sir:

In a conversation today with Raymond Heroux I asked him if it was necessary to fully complete my Form 398-2 Verified Application for Second Mortgage Home Loan License since I have held Banker and Broker licenses for 8 years and a Small Loan Lender License since March 26, 1997. He said it was not necessary and that I should note on the application to "refer to previous files". This is what I have done.

If you have any questions please feel free to call.

Sincerely,
FINANCIAL RESOURCES, INC


Scott Farah
President

RESIDENTIAL REAL ESTATE and BUSINESS FINANCING



State of New Hampshire

Banking Department

169 Manchester Street
Concord, New Hampshire 03301

Telephone: (603) 271-3561
FAX: (603) 271-1090

A. ROLAND ROBERGE
BANK COMMISSIONER
ALLAN N. JEANNOTTE
DEPUTY BANK COMMISSIONER
PAUL E. BOURGALT
CHIEF BANK EXAMINER

RSA 398-A Second Mortgage Home Loan Surety Bond

Bond Number 08064386

FINANCIAL RESOURCES & ASSISTANCE OF THE, of 15 Northview Drive, Meredith
LAKES REGION, INC. (Name of Licensee) (Principal Business Address)

a Corporation, established under and by virtue of
(Corporation, Individual, Partnership, etc.)

the laws of the State of New Hampshire as principal,
and FIDELITY AND DEPOSIT COMPANY OF MARYLAND/Agency: P.O. Box 511, Concord, NH 03302-0511
(Name and Address of Surety Company)

as surety, are bound to the State of New Hampshire and people of the State of New Hampshire for the term beginning at 12:00 A.M. on the 11th day of June, 1997 and ending the 31st day of December, 1997 in the sum of Five Thousand Dollars, to be paid to the State of New Hampshire after due notice and hearing in accordance with the provisions of Chapter 541-A of the New Hampshire Revised Statutes Annotated, or to any person or persons who may have obtained final judgment from a court of competent jurisdiction in a cause of action against said principal under the provisions of Chapters 398-A, 358-K, 399-B, 399-C or 399-E New Hampshire Revised Statutes Annotated or common law.

The Condition of this surety bond is such that if the above FINANCIAL RESOURCES & ASSISTANCE OF THE LAKES REGION, INC. of
(Name of Principal/Licensee)

15 Northview Drive; Meredith; NH who is or may be licensed to engage in a second
(Principal Business Address)

mortgage home loan business under the provisions of Chapter 398-A of the New Hampshire Revised Statutes Annotated, shall conform to and abide by each and every provision of said law and to each and every provision of Chapters 358-K, 399-B, 399-C and 399-E of the New Hampshire Revised Statutes Annotated, shall pay to the State of New Hampshire after due notice and hearing in accordance with the provisions of Chapter 541-A of the New Hampshire Revised Statutes Annotated, and to any person or persons who may have obtained final judgment naming said principal from a court of competent jurisdiction, any and all moneys that may become due or owing to the State of New Hampshire and to such person or persons from the principal hereunder, under and by virtue of the provisions of the laws previously enumerated herein, then this obligation shall be void; otherwise it shall remain in full force and effect.

The Surety hereunder hereby agrees to provide written notification of the cancellation of this bond to the Bank Commissioner of the State of New Hampshire no later than 10 days prior to such cancellation.

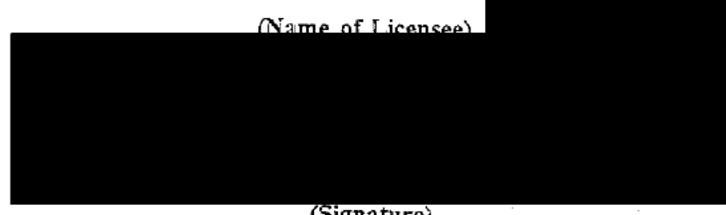
Dated: June 11, 1997

FINANCIAL RESOURCES & ASSISTANCE
OF THE LAKES REGION, INC.

(Name of Licensee)


Witness

By:



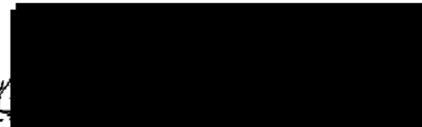
(Signature)

Scott D. Farah, President

Title: FIDELITY AND DEPOSIT COMPANY OF MARYLAND


Witness

By



(Signature)

Attorney in fact:

William Ver Planck, Attorney-In-Fact

Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND

HOME OFFICE, BALTIMORE, MD

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by C. M. PECOT, JR., Vice-President, and C. W. ROBBINS Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint Daniel E. Church, Paula J. Cantara, Bruce H. Langley, William Ver Planck, John P. Hughes, John M. Harbottle and John P. Garmeny, all of Concord, New Hampshire, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf as surety, and as its act and deed: any and all bonds and undertakings.....

And the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of Daniel E. Church, et al, dated, January 30, 1992.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 7th day of April, A.D. 1992

ATTEST:



FIDELITY AND DEPOSIT COMPANY OF MARYLAND

Assistant Secretary

By

Vice-President

STATE OF MARYLAND
CITY OF BALTIMORE

ss:

On this 7th day of April, A.D. 1992, before the subscriber, a Notary Public of the State of Maryland, in and for the City of Baltimore, duly commissioned and qualified, came the above-named Vice-President and Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself deposed and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Baltimore, the day and year first above written.



CAROL J. FADER

Notary Public Commission Expires August 1, 1992

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 16th day of July, 1969.

RESOLVED: "That the facsimile or mechanically reproduced signature of any Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company, this 11th day of June, 1997.

040-0850

Assistant Secretary

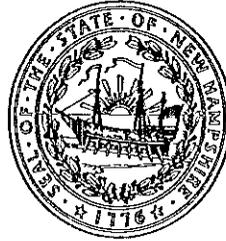
EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertakings, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages, . . . and to affix the seal of the Company thereto."

Date of Issue: July 1, 1997

License No. 3050-97-MHL

STATE OF NEW HAMPSHIRE



*Office of the Bank Commissioner
169 Manchester Street
Concord, New Hampshire 03301*

This is to certify that a license to engage in business as a

SECOND MORTGAGE HOME LOAN LENDER

is hereby issued to: FINANCIAL RESOURCES & ASSISTANCE OF THE LAKES REGION INC.

at: 15 NORTH VIEW DRIVE
MEREDITH NH 03256

Type: PRINCIPAL OFFICE

in accordance with and subject to the provisions of New Hampshire Revised Statutes Annotated Chapter 398-A, as amended and any regulations promulgated thereunder.

This license expires December 31, 1997, unless sooner suspended, revoked or surrendered.

A. Roland Roberge
Bank Commissioner

This license is not transferable, and must be conspicuously displayed at the address indicated above, or if no New Hampshire location, at the office of the licensee's New Hampshire agent.