

FIRST MORTGAGE BROKER

EXECUTIVE OFFICER QUESTIONNAIRE

Please answer the following questions as completely as possible. Do not leave any blank spaces. If a question is not applicable, answer as such or write n/a. Provide attachments on separate pages where necessary.

General Information:

Name of Licensee: FINANCIAL RESOURCES & ASSISTANCE OF THE LAKES REGION, INC.

1. Name of office manager: SUZANNE BEAULIEU

ALL IN MEREDITH NH OFFICE List other employees, and their titles, who work in this office. RHONDA VAPPI PT RECEPTIONIST
 SUZANNE CROWLEY, ADMINISTRATIVE ASSISTANT RICHARD ROLLOCK, LOAN ORIGINATION
 SUSAN BROCHU, PROCESSOR SCOTT ARONSON, LOAN ORIGINATOR
 DONNA GOODWIN, UNDERWRITER KATHY COLLINS
 NANCY O'CONNOR, PROCESSOR KARL REITZ

2. Is your company affiliated with another business entity, list name, address and type of business, and nature of affiliation.

~~XXX~~ INSURANCE OPTIONS, INC. INSURANCE AGENCY OWNED 100% BY SCOTT FARAH

3. Do you require any of your customers to use the services of any of these affiliated entities?

~~XXX~~ NO

4. Please provide the number and dollar volume of all New Hampshire loans brokered by your company since January 1st of the current year.

30 \$2,859,000

5. Is your mortgage broker business or any of the directors of the company, partners, trustees or principal officers operating under any administrative regulatory action or undergoing any investigation by either state or federal authorities?

NO

6. If the answer to question 5 is yes, please provide details.

#1.	MARY KLEIN	TUFTONBORO, NH
	TODD WORKMAN	TILTON, NH
	RUSSELL BUKER	LACONIA, NH
	FRED POORE	MANCHESTER, NH

7. Please list any and all legal actions in any jurisdiction, which name the licensee or its owners, trustees, directors, partners or senior officers as defendant(s). Include the court, docket number and the name of all litigants. SEE ATTACHED
8. Please provide a list of all legal suits concluded where your company settled out of court or was found at fault. Include copies of pleadings, documentation of disposition of the case, including without limitations, court orders, settlement agreements and arbitration decisions. NONE
9. Do you ever co-broker loans with another licensed broker in New Hampshire?
NO
10. Where are the accounting records and loan files kept and maintained by the licensee?
IN THE HOME OFFICE AT 15 NORTHVIEW DRIVE, MEREDITH
11. Describe, on an approximate percentage basis, the amount of conventional loan and sub-prime loans that your company brokers.
30% CONVENTIONAL 70% SUB PRIME
12. Do you broker second mortgage loans in New Hampshire?
RARELY, ALTHOUGH WE DO HAVE A 2ND MORTGAGE LICENSE
13. Please submit a list of all independent agents who are exclusive to your company under written contract and exempt from licensing under New Hampshire RSA 397-A:4, VIII. Attach copies of all written contracts.
SEE ATTACHED
14. Please list all lenders to whom your company submits loan applications for underwriting and/or funding. Include the lender name, street and mailing address and contact person.
SEE ATTACHED
15. Does your company have a world wide web site? YES If yes, please provide the html address.
biz.fcgnetworks.net/fra
16. Does your company take mortgage loan applications on line? YES BUT WE TOOK LESS THAN 10 NH APPLICATIONS ON LINE IN THE LAST YEAR.

17. Please provide the name, title and business address of the person that prepares your company's annual report in accordance with the provisions of RSA 397-A:13 and the NH Code of Administrative Rules, Ban 2503.
 SUZANNE BEAULIEU, VP, OFFICE MANAGER SCOTT FARAH, PRESIDENT
 15 NORTHVIEW DRIVE, MEREDITH, NH SAME ADDRESS]
18. Is management aware of the NH Code of Administrative Rules, Ban 2401 which requires the retention of the supporting documentation used to prepare the annual report?
 YES
19. Where is the supporting documentation for the most recent annual report located?
 IN OUR FILES
20. Have any of your company's licensed offices closed since the last examination?
 NO
21. Does your company offer rate locks?
~~YES~~ NO THE RATE LOCKS COME FROM OUR CORRESPONDENT LENDERS

Mortgage Application Process and Fees

22. Are all applicants given a Good Faith Estimate no later than three business days after receipt of the written application setting forth the estimated settlement charges?
 YES
23. Are all applicants given a copy of the "Settlement Costs" Special Information Booklet no later than three business days after receipt of the written application?
 YES-NOT IN BOOKLET FORM
24. Do staff members explain the variety of loan products available to applicants in order to facilitate informed borrowing decisions?
 YES
25. Are applicants made aware of the detailed and complex nature of the application process and the requirements expected of them to provide financial and other relevant information in order to complete that process?
 YES
26. Are all members of your origination and processing staff aware that falsifying any information on a mortgage loan application is a federal crime?
 YES
27. How long, approximately, does it take to process a mortgage application by your company?
 2 BUSINESS DAYS

7. We currently have two outstanding suits that are both on commercial loans. Our attorneys are confident that neither suit has any merit. We have one residential situation that has not reached the status of a legal action. A client who we brokered to [REDACTED] five years ago is complaining that she had an adjustable rate. All documents stated that she was getting an adjustable rate and the rate had adjusted at least ten times prior to the complaint. Her attorney is demanding \$5,000 for interest replacement. Our attorney feels that there is no merit at all to this case and that it will go away soon.

29. If we hire an inexperienced loan officer, he or she starts out by functioning in an assistant type role to the processors and loan officers. They sit in on appointments with the other loan officers, they help the processors, etc. After they are on their own, they are supervised by an experienced loan officer. It takes many months before we feel that a loan officer is fully trained.

30. Our loan officers stay in constant contact with the borrowers due to the fact that it is a lengthy process to get a loan from beginning to closing.

34. We have no up front fees with the exception of; if a client wants to lock a rate for more than ten days, we require a rate lock deposit that ranges from .5% to 1%. That fee is totally refundable at the closing table or if the loan is denied for any reason. The only time it is not refundable is if the loan is cleared to close and the borrower refused to close. In 12 years of business, this has never happened.

35. See above

28. What percentage, approximately, of loan applications received by your company are ultimately approved and funded?
OVER 90%
29. Please describe briefly, the formal training your company provides all mortgage originators before being assigned to the field.
SEE ATTACHED
30. What is your company's policy regarding keeping your applicants apprised of the status of their mortgage application?
SEE ATTACHED
31. Does your company have a toll free telephone number for use by mortgage applicants? If the answer is yes, please list the number(s) and location(s).
(800) 9506913
32. Does your company have a policy regarding notifications under the federal Equal Credit Opportunity Act (ECOA) section 202.9?
YES
33. Are applicants made aware in advance of all monies required at closing, such as deposits and costs that are not strictly related to settlement charges, e.g. interest and tax escrow? (RSA 397-A:16, I) (RESPA 3500.07)
YES ON GOOD FAITH ESTIMATE
34. List any fees required during the mortgage loan application process and the dollar amount charged.
SEE ATTACHED
35. If any fees are prepaid, what is your company's policy on refunding prepaid fees in the event the loan does not close?
NA SEE ATTACHED
36. Is your company's policy on refunding fees clearly explained at the time of mortgage loan application?
YES
37. Is your company's refund policy regarding prepaid fees given in writing to the applicant?
NO PREPAID FEES
38. Does your company deposit fee monies received towards a mortgage loan application in a separate depository account?
NO

14.)

14.)

FINANCIAL RESOURCES, INC.

15 Northview Drive

Meredith, NH 03253

CORRESPONDENT LENDERS

[REDACTED]

(Used in 2000 but do not use anymore)

[REDACTED]

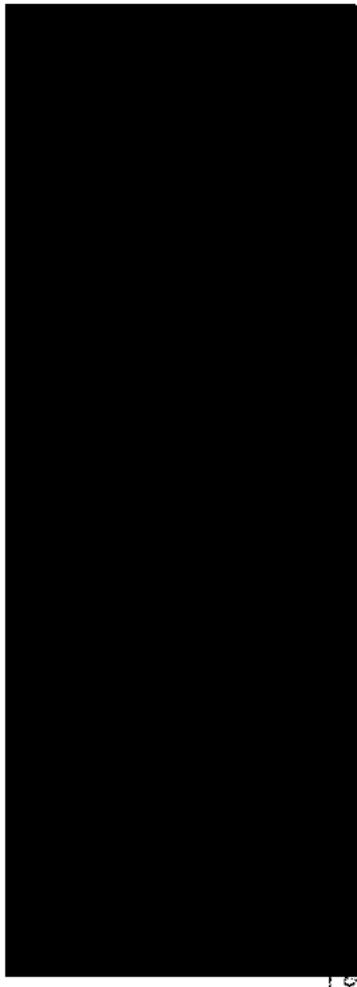
[Redacted] (No longer in business)

[Redacted] (Used in 2000 but they are now out of business)

File Name

Call Back

Broker



File Name	Call Back	Broker	
	40	KR Belmont, NH 03220	
	195	SF Gilford, NH 03246	
	65	DG Lancaster, NH 03584	
	2/2004	DG Center Harbor, NH 03226	
	112	KR Ashland, NH 03217	
	SE	KC Laconia, NH 03246	
	72	KC Laconia, NH 03246	
	86	DG Meredith, NH 03253	
	112	KC Farmington, NH 03835	
	SE	DG Belmont, NH 03220	
	3/2003	SF Laconia, NH 03246	
	76	SF Laconia, NH 03246	
	80	SF Gilford, NH 03249	
	111	KR Belmont, NH 03220	
	134	DG Sanbornton, NH 03269	
	108	SF Alton, NH 03809	
	134	SF Plymouth, NH 03264	
	1/2002	KR Weare, NH 03281	
	172	NO Bristol, NH 03220	
	113	KR Gilmanton, NH 03837	
	67	KC West Ossipee, NH 03890	
	53	DG Laconia, NH 03246	
	20	DG Sanbornton, NH 03269	
	11/2003	SF Belmont, NH 03220	
	62	KR Laconia, NH 03246	
	00	NO Waterville Valley, NH 03215	
	112	MK Newport, NH 03773	
	87	GW Conway, NH 03860	
	104	KR Belmont, NH 03220	
	84	RU Woodsville, NH 03785	
	42	2/2002	DG Concord, NH 03301
	58	2/2003	
	53		
	100		

2,831

2,859,000

CERTIFICATION

I, SCOTT FARAH, PRESIDENT/OWNER
(Name) (Title)
FINANCIAL RESOURCES & ASSISTANCE OF THE
of LAKES REGION, INC., hereby subscribe and affirm,
(Licensee Name)

under penalty of perjury, that the foregoing statements made by me are true, correct and complete to the best of my knowledge and belief.

Dated: 5/9/01



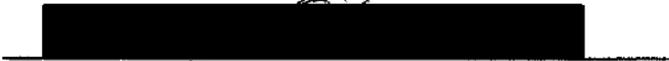
Signature

State of New Hampshire)
County of Belknap) SS

On this, the 9th day of May, 2001, before me personally appeared

Scott Farah and made oath, under penalty of perjury,
Name

that the foregoing statements made by him/her are true, correct and complete.



Notary Public/Justice of the Peace
December 6, 2005

INDEPENDENT CONTRACTOR AGREEMENT

FINANCIAL RESOURCES & ASSISTANCE
OF THE LAKES REGION, INC.

Agreement made effective as of /01, by and between FINANCIAL RESOURCES & ASSISTANCE OF THE LAKES REGION, INC. of 15 Northview Drive, Meredith, County of Belknap, and State of New Hampshire, 03253, hereinafter referred to as broker, and , of address, hereinafter referred to as sales representative.

SECTION ONE
STATEMENT OF ENGAGEMENT

Broker is in the business of brokering loans and engages sales representative to perform services on a continuing basis pertaining to such business, which services are generally described as originating loans. Sales representative agrees to perform such services under the terms and conditions set forth in this agreement.

SECTION TWO
RELATIONSHIP OF PARTIES

A. The parties intend and agree that sales representative is an independent contractor and not an agent or employee of broker.

B. Sales representative shall comply with all laws and ethical standards applicable to loan sales representatives and shall perform his or her duties in a manner consistent with generally accepted procedures for sales representative's profession.

C. None of the benefits provided by broker to its employees, including, but not limited to, compensation insurance and unemployment insurance, are available to sales representative from broker.

SECTION THREE
DUTIES OF SALESPERSON

A. Sales representative agrees to perform any and all services generally performed by sales representatives in broker's line of business, including, but not limited to, soliciting and obtaining new loan applications, performing such other services pertaining to the loan brokering business as broker may require of sales representative, and promoting the business of serving the public in loan transactions to the end that each party to this agreement may derive the greatest profit possible.

Broker initial _____ Sales Rep initial _____

B. Sales representative agrees that any and all loan applications shall be taken in the name of broker and filed with broker within forty-eight (48) hours of receipt by sales representative.

C. Broker shall have no right except to the extent required by law to direct or limit sales representative's activities as to hours, leads, production, prospects, reports, sales or training meeting, scheduling, time off, vacation, or other similar activities.

SECTION FOUR COMPENSATION

A. As compensation for performance of sales representative's duties under and pursuant to this agreement, sales representative shall be entitled to a percentage share of commissions set out in broker's written policy attached to this contract as Attachment A. Such compensation shall be based on commissions actually collected by broker from loans originated and closed by sales representative during the effective period of this agreement and shall constitute full compensation for sales representative's services.

B. If two or more sales representatives participate in a loan origination and/or closing the available commission shall be divided between or among the participating sales representatives according to agreement or by arbitration. In no event shall broker be liable to sales representative for representative's share of commissions not collected.

SECTION FIVE DURATION OF AGREEMENT; TERMINATION

A. Engagement of sales representative shall commence on the effective date of this agreement and continue until terminated as provided in this agreement.

B. Either party may terminate this agreement by giving the other thirty (30) days written notice.

C. If sales representative's engagement is terminated while transactions are pending in circumstances that would require further work normally be performed by sales representative, broker shall make arrangements to have the work performed by another party and the costs incurred for such substitution shall be deducted from sales representative's share of the collected commission.

D. Upon termination of this agreement by sales representative or broker, sales representative will receive a full commission split for the first fifteen (15) calendar days after termination. From fifteen (15) to thirty (30) calendar days, sales representative will receive 75%

Broker initial _____ Sales Rep initial _____

of the commission split. From thirty (30) to sixty (60) calendar days, sales representative will receive 25% of commission split. After sixty (60) calendar days all commissions will go to broker.

SECTION SIX EXPENSES

Broker shall not be required to provide sales representative with an office nor shall broker be liable for any expenses incurred by sales representative.

SECTION SEVEN ADVANCES

A. Broker may, but is not obligated to, provide advances to sales representative.

B. If, on termination of this agreement, broker has advanced sums to sales representative against commissions to be earned, or if broker has otherwise advanced sales representative any sums with which to pay professional fees or other items or expenses in excess of commissions actually earned by sales representative, sales representative must promptly refund the amount of the excess advances. All such advances are deemed loans to sales representative, and not as advance payment of commission or reimbursement of expenses.

SECTION EIGHT FACILITIES; ACCESS TO LISTINGS AND OTHER INFORMATION

A. Broker agrees to provide sales representative with use, equally with other sales representatives, of the physical facilities of the offices now operated by broker in connection with the subject matter of this agreement.

B. Broker may in its sole discretion give sales representative access to its confidential files pertaining to proprietary business contacts for the origination of loans, and other related matters.

C. Broker shall generally aid sales representative in every way possible with respect to such loans and sales representative's duties.

D. Nothing in this agreement shall be construed to require that sales representative accept or service any particular lead or prospective lead given to sales representative.

Broker initial _____ Sales Rep initial _____

SECTION NINE
COVENANT NOT TO COMPETE OR DISCLOSE TRADE SECRETS

A. Broker has developed and continues to develop and use commercially valuable proprietary, technical or non-technical information which is vital to the success of broker's business. Sales representative acknowledges that the information that will be furnished to sales representative concerning broker's customer, leads, prospects, buyers or sellers, banks, lending institutions, trusts, corporations, or individuals or groups of individuals, organizations, lenders, or borrowers, investors or their agents or investment companies, other mortgage brokers, transactions, method of operations, and other confidential matters (hereinafter proprietary business contacts) constitutes valuable, special and unique assets and trade secrets of broker's business. Sales representative will not, during or after the term of the engagement under this agreement, disclose any information to any other person or entity for any reason or purpose whatsoever. Said proprietary business contacts shall include names, addresses, and phone, either telephone or fax numbers.

B. All books, records, and accounts of the broker's proprietary, shall be the exclusive property of broker and shall be returned immediately to broker on termination of this agreement or on broker's request at any time.

C. Upon termination of this agreement by either party it is understood that the independent contractor shall not for a period of three years from the date of termination, either alone or jointly with, or as agent for, any person directly or indirectly, set up, exercise or carry on the trade or business of FINANCIAL RESOURCES & ASSISTANCE OF THE LAKES REGION, INC., and shall not set up, make or encourage any opposition to the said trade or business hereafter to be carried on by the other party or his representatives or assigns, nor do anything to the prejudice thereof, and shall not divulge to any person any of the secrets, accounts or transactions of or relating to the business. For any violation of this stipulation it is understood that the independent contractor shall be liable for damages of not less that \$50,000 and for any costs incurred to enforce this agreement including attorney fees.

SECTION TEN
INDEMNIFICATION

Sales representative agrees to indemnify broker and hold broker harmless from any and all claims, demands, and liabilities, including costs and attorney's fees to which broker is subjected by reason of any action by sales representative taken or omitted pursuant to this agreement.

Broker initial _____ Sales Rep initial _____

SECTION ELEVEN
ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the parties, and there are no verbal understandings or other agreement of any nature with respect to the subject matter except those contained in this agreement.

SECTION TWELVE
MODIFICATION OF AGREEMENT

Any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if placed in writing and signed by each party or an authorized representative of each party.

SECTION THIRTEEN
NOTICES

All notices between the parties shall be in writing. Notices may be delivered personally, or by mail, postage prepaid, to the respective addresses of the parties as stated in this agreement or as may be subsequently given.

SECTION FOURTEEN
GOVERNING LAW

It is agreed that this agreement shall be governed by, construed, and , enforced in accordance with the laws of the State of New Hampshire.

SECTION FIFTEEN
ATTORNEY FEES

In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorneys' fees.

SECTION SIXTEEN
EFFECT OF PARTIAL INVALIDITY

The invalidity of any portion of this agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this agreement is held to

Broker initial _____ Sales Rep initial _____

be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

SECTION SEVENTEEN
PARAGRAPH HEADINGS

The titles to the paragraphs of this agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provision of this agreement.

SECTION EIGHTEEN
ASSIGNMENT OF RIGHTS

The rights of each party under this agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed this
th day of, 2001.

Broker: FINANCIAL RESOURCES &
ASSISTANCE OF THE LAKES
REGION, INC.

Witness

By: _____
President

Sales Representative:

Witness

ADDENDUM "A"
COMPENSATION

Sales representative shall be compensated at the rate of 50% of the gross commission payable to Financial Resources & Assistance of the Lakes Region, Inc. from residential and mobile home deals brought in by the sales representative.

For any other type of deal including, but not limited to, commercial, paper, accounts receivable factoring, and marine financing, commissions will be agreed on between broker and sales representative on a case by case basis.

Broker initial _____ Sales Rep initial _____