NH Banking Department's Response to
Release of Bureau of Securities Regulation
"Appendix A – Report of Review of Financial Resources and
CL&M Files in the Possession of NH Banking Department"
May 13, 2010

Pursuant to the Memorandum of Understanding, the Banking Department (Banking) gave the Bureau of Securities Regulation (BSR) access to all substantive information regarding Financial Resources Mortgage, Inc. and related entities (FRM). Banking also had an examiner available in the room to facilitate computer searches and answer any questions from BSR staff. The access was granted for the purpose of allowing BSR to determine if any FRM information in Banking's possession indicates that FRM was involved with activities that fall within BSR's jurisdiction. This is in essence looking for oranges in an apple cart as Banking records and exams for a mortgage company focus on the business of residential mortgage loans secured by New Hampshire real estate, not securities activity. BSR personnel reviewed the information at Banking at least on: 12/15/09, 2/11/10, 2/12/10, 2/16/10, 2/17/10, and 2/23/10. As a result of this access, BSR Attorney Moquin indicated to both Banking and Department of Justice staff that BSR's review was complete.

"Appendix A – Report of Review of Financial Resources and CL&M Files in the Possession of NH Banking Department" is a document that purports to "represent generally all of the documents made available to the BSR." Appendix A, however, is merely a compilation of incomplete, inaccurate, out-of-context notes and interpretations of select documents by BSR staff. While the Appendix is described as being representative of "all" banking documents made available, in some instances the documents referenced were BSR documents and not in Banking's possession and BSR had access to substantially more documents and information than is summarized in the Appendix. Further, most of the notes contain inaccuracies, many minor, but some glaringly substantive. The omissions and commentary in Appendix A appear designed to mislead.

In releasing Appendix A, therefore, Banking has included a detailed analysis of the inaccuracies and omissions and will release every identifiable source document. In so doing, the hope is that fact will prevail over the half-truths, biased interpretations and innuendo contained in BSR's Appendix A.

/s/ 5/13/10

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Bank Commissioner
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