

State of New Hampshire

State of New Hampshire
Banking Department

Docket # 10-163

v.

Mortgage Resource Solutions, LLC;
&
James Khoury

Order to Cease & Desist
And
Complaint and Order
to Show Cause

Respondents

Notice of Complaint and Order to Show Cause and Cease & Desist Order

This Order commences an adjudicative proceeding under the provisions of RSA 397-A (including RSA 397-A:17, I & II; RSA 397-A:18, I & II) and RSA 541-A.

Respondent(s)

1. Mortgage Resource Solutions, LLC is a business with a principal office location of 188 Broadway, Methuen, Massachusetts 01844.
2. James Khoury is an individual with a principal office location of 188 Broadway, Methuen, Massachusetts 01844.
3. Mortgage Resource Solutions, LLC and James Khoury (Respondents) have never held a New Hampshire mortgage loan originators or mortgage banker/ mortgage broker license pursuant to RSA 397-A as required by RSA 397-A:3.
4. All Control Persons as defined by RSA 397-A:21, V.
5. All Respondent(s) are "Persons" as defined by RSA 397-A:1, XVIII.

Statement of Allegations

6. In September 2010, Respondent Khoury contacted the Department's licensing division to inquire whether he needed to be licensed in New Hampshire.

7. On September 10, 2010, the Department conducted an investigation into the Respondents' business activities to determine if licensure would be required. RSA 397-A:12, I.
8. The Department's investigation revealed that Respondents' website offered loan modification plans to consumers, and Respondent Mortgage Resource Solutions, LLC's listing on the National Mortgage Licensing System (NMLS) revealed its nature of business as "loss mitigation" and its duties as "consult with clients".
9. On September 10, 2010, the Department mailed, and Respondents received on September 15, 2010, a certified letter asking Respondents to provide, within (10) days of receipt, a response regarding the potential unlicensed activity; a new Hampshire transaction list; and a contact person. RSA 397-A:12, I.
10. On September 14, 2010, Respondent Khoury contacted the Department by phone and email inquiring as to the purpose of the letter.
11. Respondent Khoury stated that he is not required to have a license as his business model is to merely find consumers, collect certain information, and transfer the information to potential home modification companies or lawyers who do loan modification work.
12. The Department requested, in this same phone call, that the Respondent send in a letter detailing its business model and reminded it of the information requested in the Department's letter dated September 10, 2010.
13. As of February 18, 2011, Respondents have failed to provide any further information as requested by the Department or to apply for licensure. RSA 397-A:12 and RSA 397-A:3.
14. Based on the Department's review of the information before it, Respondents, are conducting unlicensed mortgage loan origination by collecting information,

arranging, finding a mortgage loan, or assisting a consumer in obtaining or applying to obtain a mortgage loan as defined in RSA 397-A:1, XVII.

Right to a Hearing

15. Respondents have the right to request a hearing of this Order. A hearing shall be held not later than ten (10) days after the Commissioner receives the Respondents' written request for a hearing. The Respondent may request a hearing and waive the ten (10) day hearing requirement. The hearing shall comply with RSA 541-A. RSA 397-A:18, II.
16. If any person fails to request a hearing within thirty (30) days of receiving this Order, then such person shall be deemed in default, and the Order shall, on the thirty-first (31st) day, become permanent, all allegations may be deemed true, and shall remain in full force and effect until modified or vacated by the Commissioner for good cause shown. RSA 397-A:18, II and RSA 397-A:17, I.
17. A default may result in administrative fines up to the maximum amount of \$2,500.00 per violation. Each of the acts specified shall constitute a separate violation. RSA 397-A:21, IV.

Alleged Violations:

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| A. Mortgage Resource Solutions, LLC | 1 Count for Unlicensed Activity as a Mortgage Broker.
RSA 397-A:3, I. |
| | 2 Counts for Failure to Produce requested documents relevant to an investigation.
RSA 397-A:12 I. |
| | 1 Count for Retaining, Employing, or otherwise Engaging an Unlicensed Loan Originator.
RSA 397-A:17, IX. |

