

[SUBPOENA]

STATE OF NEW HAMPSHIRE
Merrimack, SS.

TO: MR SCOTT FARAH
PRESIDENT
FINANCIAL RESOURCES & ASSISTANCE OF THE LAKES REGION
INC.
PO BOX 1158
15 Northview Drive
MEREDITH NH 03253

You are required to appear before the Commissioner of the Banking Department of the New Hampshire, or his representative, at the State of New Hampshire Banking Department, 64B Old Suncook Road, Concord, New Hampshire 03301

on the 26th day of May, 2006 at 9 o'clock in the morning, and to bring with you and produce at the time aforesaid, copies of the original documents requested in the attached Exhibit A, for any and all accounts of Financial Resources & Assistance of the Lakes Region Inc.

HEREOF FAIL NOT, as you will answer your default under the penalties prescribed by law.

This subpoena may be served by Anna Maria Tsorvas, Bank Examiner.

Dated at the State of New Hampshire Banking Department, 64B Old Suncook Road, Concord, N.H. 03301.

 5/25/06
Bank Commissioner

Signature redacted. Signed by:

Peter C. Hildreth

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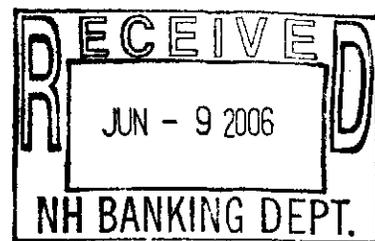
EXHIBIT A

1. Any and all documents used in preparation of the 2005 tax return filed by Financial Resources and Assistance of the Lakes Region (and/or their accountant)
2. Any and all information used by Financial Resources and Assistance of the Lakes Region (and/or their accountant) to prepare 2005 Financial Statements;
3. All documents contained in a "box" that Mr. Farah and Financial Resources and Assistance of the Lakes Region Inc. refused to provide when requested during the examination of the business by the Department on May 24, 2006. The box is described as follows:
 - a. The box was returned to Financial Resources and Assistance of the Lakes Region Inc. by Financial Resources and Assistance of the Lakes Region Inc.'s accountant who prepared the 2005 financial statements of the company. Mr. Farah further indicated that the "box" was located in Mr. Farah's office at 15 Northview Drive, Meredith, NH.

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LAW OFFICE OF GOULD AND BURKE
15 NORTHVIEW DRIVE
P.O. BOX 666
MEREDITH, NEW HAMPSHIRE 03253



TEL 603-279-6502

FAX 603-279-1062

Michael E. Gould, Esquire
Admitted in New Hampshire and Massachusetts
megnh@earthlink.net

Michael Burke, Esquire
Admitted in New Hampshire and Maine
mburkelaw@earthlink.net

June 8, 2006

Peter Hildreth, Commissioner
Banking Department
64B Old Suncook Road
Concord, New Hampshire 03301

Re: Scott Farah and Financial Resources and Assistance of the Lakes Region, Inc.

Dear Commissioner Hildreth:

This office represents Scott Farah and Financial Resources and Assistance of the Lakes Region, Inc.. The intent of this letter is to correct the record regarding the issuing of subpoena by your office on May 26, 2006. I have spoken with Scott Farah of Financial Resources and Assistance of the Lakes Region, Inc. and Ronda Vappi, an employee of Financial Resources and Assistance of the Lakes Region, Inc. Apparently the Banking Department has been undertaking an examination of the books and records of Financial Resources and Assistance of the Lakes Region, Inc. for the last two weeks or so. As Mr. Farah reports to me he had a discussion with one of the examiners Anna Maria Tsorvas at the close of business on Wednesday May 24, 2006 regarding the production of certain financial records in the context of the examination. Mr. Farah indicated that the requested financial records for FRA were located in two boxes in his office. Ms. Tsorvas then requested the boxes. Mr. Farah also indicated that it would take several hours to go through the box containing the requested records and make copies so that he could maintain control of the original documents. Mr. Farah told Ms. Tsorvas that he was scheduled to take his son and several of his son's classmates on a trip to Washington, D.C. on Thursday, May 25, 2006 and would not return to the office until Tuesday, May 30, 2006. He indicated that the records would be produced on Tuesday, May 30, 2006. Ms. Tsorvas indicated to Mr. Farah that Tuesday would be fine and specifically said "Do it when you get back." Also on Wednesday May 24, 2006 Ms. Vappi went down to the records room and spoke with Ms. Tsorvas indicating that if there was anything that the examiners needed in Mr. Farah's absence, she (Ms. Vappi) would contact Mr. Farah and attempt to accommodate the request.

On Thursday afternoon, May 25, 2006 Ms. Tsorvas returned to Financial Resources and Assistance of the Lakes Region, Inc. requested that Ms. Vappi produce the boxes containing the

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financial records contained in Mr. Farah's office. Ms. Vappi indicated that she would have to speak with Mr. Farah regarding this request. Ms. Vappi attempted several times to locate Mr. Farah on his cell phone but the coverage was bad. Finally, Mr. Farah called in on a land line and directed Ms. Vappi to give Ms. Tsorvas the boxes in his office.

In the interim, Ms. Tsorvas sought and received a subpoena executed by you directing Mr. Farah and Financial Resources and Assistance of the Lakes Region, Inc. to appear at the Banking Department on Friday, May 26, 2006 and directing Mr. Farah to bring with him any and all documents and any and all information used in the preparation of the FRA 2005 tax return and used in the preparation of the 2005 financial statements and a "box" located in Mr. Farah's office containing returned to FRA by its accountant. The subpoena alleges that Mr. Farah and FRA "refused" to provide this information. Before the subpoena was served Ms. Vappi provided the requested boxes to Ms. Tsorvas. Ms. Vappi accepted service on Mr. Farah behalf, but indicated that he could not appear on the Banking Department on May 26, 2006. Ms. Tsorvas asked where Mr. Farah was. When Ms. Vappi reported that he was in Washington, D.C., Ms. Tsorvas appeared genuinely surprised by his absence.

Regarding the allegation of refusal to cooperate, this is simply not true. Mr. Farah continues to be surprised by the extent of misunderstanding regarding the production of the box. In his Wednesday May 24, 2006 conversation with Ms. Tsorvas, she initially requested the bank reconciliation records and then expanded the request for the entire contents of the boxes. There are additional records requested in the subpoena which were not discussed with Mr. Farah prior to the issuance of the subpoena. The box was produced prior to the service of the subpoena, but not all of the records requested in the subpoena were records contained in the "box". The additional records relative to the preparation of the 2005 financial statement were produced on May 30, 2006. Mr. Farah is willing to produce whatever other records are necessary and relevant to the bank examination. It is important to him that he and his company not be perceived as uncooperative during the course of this examination. He wants to make sure that the records produced were responsive to the Department's request and if there are other records which he is to produce that he be given an opportunity to do so.

Thank you for your continued cooperation in this matter.

Sincerely,

LAW OFFICE OF GOULD AND BURKE



Michael Burke
MB/tbm

cc: S. Farah

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STATE OF NEW HAMPSHIRE
BANKING DEPARTMENT

CONSUMER CREDIT ADMINISTRATION
DIVISION
REPORT OF EXAMINATION

Mortgage Banker
Small Loan Lender
License Type

5902 MB
6082 SM
License Number

Financial Resources & Assistance of the Lakes Region Inc
Licensee

02-0433840
Tax ID Number

Meredith
City

New Hampshire
State

Examined By: Kerry R. Molin
Anna-Maria Tsorvas
Joseph Rouleau

Examination Date: May 18, 2006

THIS REPORT OF EXAMINATION IS STRICTLY CONFIDENTIAL

The information contained herein is based upon records of licensee, upon statements made to the examiner by management, officers, and employees; and upon information derived from sources which the examiner considered reliable and correct.

The subject licensee shall under no circumstances publish, or make public in any manner, this report of examination or any portion thereof. This examination remains the property of the State of New Hampshire Banking Department. RSA 383:10-b.

PETER C. HILDRETH
BANK COMMISSIONER

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THIS REPORT OF EXAMINATION IS STRICTLY CONFIDENTIAL

The State of New Hampshire Banking Department

**Mortgage Banker
REPORT OF EXAMINATION**

DATE	5/18/2006
NAME OF LICENSEE	Financial Resources & Assistance of the Lakes Region, Inc.
ADDRESS	15 Northview Drive
CITY, STATE, ZIP	Meredith, NH, 03253
LICENSE NUMBER	5902-MB
EXAMINER IN CHARGE	Kerry R. Molin
TAX ID NUMBER	02-0433840

REGULATORY AUTHORITY AND SCOPE OF EXAMINATION:

This regularly scheduled examination was conducted pursuant to New Hampshire RSA 383: 9 and under the provisions of RSA 397-A:12. A review of the licensee's current regulated business activities, operational practices and financial condition was undertaken to determine compliance with NH RSA 397-A.

The examination took place at the licensee's principal office located in Meredith, NH during the period of May 18 –June 2, 2006 and at the New Hampshire Banking Department office on June 12 & 13, 2006. The contact person was Scott D. Farah, President and owner.

A sample of loans closed during the previous 18 months was selected for examination. A sample of Denied and Withdrawn application files were also examined. The following documents were reviewed: company policies and procedures; home state registration issued by the NH Secretary of State; an organization chart; a description of the internal audit/ compliance function; a list of loan originators; a summary description of company operations; a list of other states issuing a mortgage license; a list of correspondent lenders; a list of shareholders; an itemized list of fees and purpose; a list of approved service providers; a copy of the Balloon Note disclosure; a copy of the internally prepared financial statements for the twelve month period ending December 31, 2005; a copy of the Audited Financial Statements for the twelve month period ending December 31, 2004 and 2003, prepared by the CPA firm –Connor & Associates, PC; bank account statements for 2005; work papers to verify the information submitted in the 2005 and 2004 Annual Reports; a copy of the 2004 Form 1120 Federal Income Tax Return; a copy of media advertisement distributed in New Hampshire; the web site located at www.franh.com; a summary of the consumer complaints; a copy of the affiliate business disclosure; a list of loan products available in New Hampshire; a list of legal and agency enforcement actions; a list of legal suits settled out of court; and a list of locations outside of New Hampshire that conduct New Hampshire Business.

The following summary of the findings presented in the October 11, 2004 Report of Examination were reviewed to determine compliance: advertisement licensing disclosures; failure to report significant events; the use of an unlicensed corporate name and un-registered trade names; the filing of complete financial statements in a timely manner; implementation of the Gramm-Leach-Bliley Act and the safe guarding of consumer information; the incorrect reporting of mortgage broker fees on the HUD settlement statement; the HUD incorrectly reporting payments to the licensee instead of the 3rd party service provider; and the maintenance of a consumer complaint file;

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BACKGROUND:

Financial Resources & Assistance of the Lakes Region, Inc., was organized as a New Hampshire corporation on May 18, 1989. The company is 100% owned Scott D. Farah, President and CEO. The company is licensed as a mortgage banker, but serves primarily as a mortgage broker. The licensee business is divided into residential and commercial lending services. The commercial lending activities comprise approximately half of the company's revenues while consumer lending and brokering activity make up the other half. Mr. Farah also, operates an insurance business called Insurance Options, Inc. from the same location. The law offices of Michael Gould and Michael Burke, PA are sub-leased from the licensee at the same location. The law firm occasionally serves as a settlement agent.

Financial Resources & Assistance of the Lakes Region, Inc. is currently licensed to conduct residential mortgage activity in 13 states including New Hampshire. The company commenced operations in Meredith, New Hampshire with the issuance of First Mortgage Banker and Broker license #5902-MBB and Second Mortgage Home Loan Lender license #5903-MHL prior to 1997. A new combined license #5902-MB was issued for 2006. A new branch office located in Manchester, NH was opened for business with the issuance of license #11508-MB-BCH on February 22, 2006. The company was also issued a Small Loan Lender license #6082-SM to its principal office prior to 1997.

OBSERVATIONS:

- 1. Pursuant to NH RSA 397-A: 10, IV, Change in Name; Ownership; Location.**
The licensee failed to amend its license application within 30 days of a change in ownership. The licensee has been retiring the number of shares of preferred stock outstanding. An amendment to the license application explaining the required changes has not been received by the NH banking department -Licensing Division. *A notice was received on June 7, 2006.*
- 2. Pursuant to NH RSA 397-A: 10, I and IV, Change in Name; Ownership; Location.**
The Signs on the door, the fence and in front of the building indicate the use of the unlicensed corporate name: "Financial Resources, Inc." The following unregistered trade names were also used on loan documents and verifications: "Financial Resources" and "Financial Resources & Assistance". The Broker license issued by the NH Banking Department and the Certificate of Corporate Registration issued by the NH Secretary of State are issued in the name "Financial Resources & Assistance of the Lakes Region, Inc." An amendment to the license application must be filed to add any Trade Name that is used to conduct mortgage broker activities. A copy of the Certificate of Authority issued to the licensee by the NH Secretary of State is required to be sent to the banking department along with the return of the original licenses for amendment. A similar observation has been cited in the two previous examinations.
- 3. Pursuant to NH RSA 397-A: 14 a, III Advertising.** The licensee's web site located at www.franh.com does not contain the required statement, "Licensed by the New Hampshire banking department" (effective August 21, 2003). A similar observation was cited at the previous examination. *A copy of the correction was received on June 7, 2006.*

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4. **Pursuant to NH RSA 397-A:20, II and the NH Code of Administrative Rules, Part Ban 2407**, licensees are required to notify the NHBD of various significant events within one business day or 5 business days of the occurrence depending on the issue. The licensee failed to report the Ronald and Howard Stone civil suite as addressed in the April 25, 2006 Concord Monitor Article. The licensee also failed to notify the NH banking department regarding the suite naming the licensee as a co-defendant in the Chase Manhattan Bank vs. James Moore, et al., dated November 1, 2001. A similar observation was cited in the previous examination.

5. **Pursuant to NH RSA 397-A:2, III referencing the Gramm-Leach-Bliley Act as implemented by the Federal Trade Commission 16 C.F.R. § 314**, financial institutions, such as mortgage companies, must have a written policy outlining their privacy and security procedures and practices. The licensee's Information Security policy is incomplete. The policy provided does not reflect the licensee business organization and operations. The document indicates Nancy O'Connor was named as the Safeguard Program Coordinator. Risk Assessment has not been identified. *A work paper was provided on June 12, 2006 without a final report.* A plan has not been designed, implemented and or tested. Service provider contracts have not been created, reviewed and monitored. The policy should be evaluated periodically and adjustments made where needed. A similar observation was cited in the previous examination.

6. **Pursuant to NH RSA 397-A: 13, I Annual Report.** The loan list provided to select the sample of files for review contained loans secured with Investment property. Management indicated the 2004 First and Second Mortgage Banker & Broker Annual Reports and the 2005 Mortgage Banker Annual Report were overstated with the inclusion of loans secured with Investment property. Investment property is not regulated under this statute and therefore must not be included. The figures reported on the 2004 and 2005 Annual Reports must be amended and resubmitted.

7. **Pursuant to NH RSA 397-A: 11, I, Record Keeping.** The following documents were missing from the designed loan file:

A copy of the Good Faith Estimate (GFE) was missing from the following files:

██████ # ██████

A copy of the final Truth in Lending statement (TIL) was missing from the following files:

██████ # ██████

A copy of the licensee's New Hampshire Balloon Note disclosure was missing from the following files: ██████ # ██████ -2nd; ██████ # ██████ -2nd;

and ██████ # ██████

A copy of the Appraisal was missing from the following files:

██████ # ██████ and # ██████ -2nd (received 6/7/06); and

██████ # ██████ and ██████ # ██████ -2nd (received 6/7/06)

Exhibit to:

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A copy of the Appraisal Invoice was missing from the following files:

[REDACTED] # [REDACTED] and # [REDACTED] -2nd (received 6/7/06); and
[REDACTED] # [REDACTED] and [REDACTED] # [REDACTED] -2nd (received 6/7/06).

8. **Pursuant to NH Code of Administrative Rule, Ban 2504.01.** The following loans contained a Note with a repayment schedule that includes a balloon payment at maturity: [REDACTED] # [REDACTED] -2nd; [REDACTED] # [REDACTED] -2nd; and [REDACTED] # [REDACTED]. The files did not contain a copy of the licensee's New Hampshire Balloon Payment Disclosure Statement. Compliance could not be determined.

9. **Pursuant to NH RSA 397-A: 2, III referencing the Real Estate Settlement Procedures Act, Regulation X, 24 C.F.R 3500.7, (c) and Appendix A, B, & C.** The Good Faith Estimate (GFE) contained a yield spread premium (YSP) disclosure which reads, "0-2%" or "0-3%." RESPA allows for fees to be disclosed as a dollar amount, a dollar range, or a percentage. The following files all contained a GFE which reported the range 0 -2%: [REDACTED] # [REDACTED]; and [REDACTED] # [REDACTED]. The following files all contained a GFE which reported the range 0 -3%: [REDACTED] # [REDACTED]; [REDACTED] # [REDACTED] -2nd; [REDACTED] # [REDACTED]; [REDACTED] # [REDACTED].

The GFE report fees paid to the Broker on Line #801 for the following loans:

[REDACTED] # [REDACTED] -2nd; [REDACTED] # [REDACTED]; [REDACTED] # [REDACTED]; [REDACTED] # [REDACTED].
Line #801 is restricted to use for fees paid to the Lender.

10. **Pursuant to NH RSA 397-A:2, III referencing the Real Estate Settlement Procedures Act, Regulation X, 24 C.F.R. §3500.8, and Appendix A, Section L,** the HUD -1 settlement statement incorrectly reports payments to the licensee instead of the 3rd party service provider for the following loans: [REDACTED] # [REDACTED]; [REDACTED] # [REDACTED] -2nd; [REDACTED] # [REDACTED]; [REDACTED] # [REDACTED]. The ultimate recipient of the fee must be disclosed on the HUD-1.

11. **Pursuant to NH RSA 397-A:2, III referencing the Real Estate Settlement Procedures Act, Regulation X, 24 C.F.R. § 3500.8, and Appendix A,** the HUD - 1 settlement document for the following loans where the licensee serves in the capacity as Lender report fees incorrectly on lines #801-#807: [REDACTED] # [REDACTED]. Lines #801 -807 are restricted to the items as detailed in the HUD Settlement guide.

12. **Pursuant to NH RSA 397-A:2, III referencing the Real Estate Settlement Procedures Act, Regulation X, 24 C.F.R. § 3500.14,** A copy of the vendor invoices for the borrower's credit report fee and the real estate appraisal fee were reviewed. The Real Estate Appraisal fee listed on the GFE and the HUD-1 could not be supported by invoice issued by the service provider for the following files: [REDACTED] # [REDACTED].

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- 13. Pursuant to NH RSA 397-A: 13, V Reports,** The following documents or responses to the "Notice of Examination" and Officer Questionnaire were incomplete or missing:

The licensee does not maintain a control list of Denied / Withdrawn applications to keep track of what is in its pipeline. Applications are filed in Alpha order by the client's last name. The files are not segregated by state. The licensee conducts business in the following 14 states, GA, ID, MD, MA, ME, MI, NH, NM, NC, OK, PA, TX, VA, and WA. A control list should be maintained to select a sample of files for review. Files must be segregated by state.

The following items and questions on the Mortgage Officer Questionnaire are incomplete or missing:

- #1 No response. Received information 5/24/06. Reviewed Employee handbook, Privacy Policy and Security policy. Information Security policy is not adequate. Gramm-Leach-Bliley Act, Safeguards 16 C.F.R. 314 (compliance 5/23/03) Written Consumer Safeguard policy in place -incomplete
Designate employee(s) to coordinate program.
Named: Nancy O'Connor -Safeguard Program Coordinator
Risk Assessment -not identified. *Received work paper 6/12/06 without report.*
Design, implement and testing -*not identified.*
Service provider monitoring/ contracts -*not done.*
Evaluations and Adjustments -*not seen.*
- #8 No response. Received internal audit report information 5/24/06. The response indicates employees are provided compliance training as part of the annual employee review. *A copy of an annual employee review was not provided.*
- #9 Incomplete. The list is missing the names and addresses of the 7 Preferred shareholders. *Received preferred shareholder list on 6/1/06 as of December 31, 2005.*
- #10 Incomplete -The list of Originators is missing the address of their work location. *Revised 6/2/06 and amended*
- #16 Incomplete -The names and percent of ownership of the 7 preferred stockholders is missing. *Received preferred shareholder list on 6/1/06 as of December 31, 2005.*
- #18 No response. Received information 5/24/06 which indicates approved service providers. There was no response to Part II. Are any of the service providers related or affiliated?
Revised statement received 6/2/06 which addressed Part II.
- #27 No response. Licensee failed to provided Financial Statements (balance sheet, cash flow statement and income statement) for the 1st Quarter ending March 31, 2006.
- #28 No response. Licensee failed to provide work papers and source documents to verify the 2005 Annual Report and the 2004 Annual Report.

Exhibit to:

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Licensee failed to provide work papers and supporting documents to verify the 2005 internally prepared financial statements. Response received 5/24/06. Incomplete - documents missing.

Received 2005 & 2004 annual report response 6/1/06. 2005 -2nd Mtg report includes investment property. The licensee served as the Lender for the loan to [REDACTED]. The [REDACTED] loan is on the loan report in the amount of \$130,000, but closed at \$142,250. The annual reports indicate all loans were closed in the capacity as "Broker". Income from NH properties was not segregated until 1/1/06. No information was provided to verify the 2004 figures reported for All jurisdictions. No income reports provided to verify figures. Annual Report amendments are required for 2005 and 2004.

Received documents 6/1 & 6/2/06 to verify the internally prepared December 31, 2005 Statement of Condition. There were numerous errors and adjustments required. *Licensee does not maintain a General Ledger and financial records. The CPA reconciles bank statements quarterly and prepares audited financial statements on a cash basis for the year ending December 31.*

#33 No response. Received summary of written consumer complaint information 5/24/06. The issues were not reported as a significant event when appropriate.

#44 No response. Received information 5/24/06. The response does not address the question. What are the procedures in place to notify the applicant a loan has been denied or withdrawn? *Received revision 6/2/06.*

#45 No response. Received response 5/24/06. Failed to provide a copy of an Operating account register. The licensee does not maintain a general ledger and general journal. Records are keep manually. Income and expense are record in the Check registers only. Multiple accounts used at multiple financial institutions.

#49 Incomplete -missing telephone number, fax number, and internet address for branch offices located outside New Hampshire. *Revised document received 6/2/06.*

#52 No response. Received contract information 5/24/06 for third party service providers. *No written contract with the Computer Servicer and with the Credit Bureau. Received additional information regarding computer servicer. No contract in place. Individual retiring October 1, 2006. Information Security agreement to be created by current provider and by replacement.*

The Officer Questionnaire is missing the last page which requires a signature and notarization. *Received information 5/24/06. Completed in the unlicensed name of "Financial Resources"*

Examiner (Signature)

[REDACTED]

Exhibit to:

Signature redacted. Signed by:

Kerry R. Molin

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The State of New Hampshire Banking Department

**Small Loan Lender
REPORT OF EXAMINATION**

DATE	5/18/2006
NAME OF LICENSEE	Financial Resources & Assistance of the Lakes Region, Inc.
ADDRESS	15 Northview Drive
CITY, STATE, ZIP	Meredith, NH, 03253
LICENSE NUMBER	6082-SM
EXAMINER IN CHARGE	Kerry R. Molin
TAX ID NUMBER	02-0433840

REGULATORY AUTHORITY AND SCOPE OF EXAMINATION:

This regularly scheduled examination was conducted pursuant to New Hampshire RSA 383:9 and under the provisions of RSA 399-A:10. A review of the licensee's current regulated business activities, operational practices and financial condition was undertaken to determine compliance with NH RSA 399-A.

The examination took place at the licensee's principal office located in Meredith, NH during the period of May 18 –June 2, 2006 and at the New Hampshire Banking Department office on June 13 & 14, 2006. The contact person was Scott D. Farah, President and owner.

The following documents were reviewed: company policies and procedures; home state registration issued by the NH Secretary of State; an organization chart; a description of the internal audit/ compliance function; a list of loan originators; a summary description of company operations; a list of other states issuing a mortgage license; a list of correspondent lenders; a list of shareholders; an itemized list of fees and purpose; a list of approved service providers; a copy of the Balloon Note disclosure; a copy of the internally prepared financial statements for the twelve month period ending December 31, 2005; a copy of the Audited Financial Statements for the twelve month period ending December 31, 2004 and 2003, prepared by the CPA firm – Connor & Associates, PC; bank account statements for 2005; work papers to verify the information submitted in the 2005 and 2004 Annual Reports; a copy of the 2004 Form 1120 Federal Income Tax Return; a copy of media advertisement distributed in New Hampshire; the web site located at www.franh.com; a summary of the consumer complaints; a copy of the affiliate business disclosure; a list of loan products available in New Hampshire; a list of legal and agency enforcement actions; a list of legal suits settled out of court; and a list of locations outside of New Hampshire that conduct New Hampshire Business.

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OBSERVATIONS:

1. **Pursuant to NH RSA 399-A: 4, VIII (a) Investigation of Application; License Requirements.** The licensee reported it has not closed any small loans during the time period under examination, so no consumer applications or small loan files were available for examination to determine compliance with RSA 399-A. Management indicated the Small Loan license was in the process of being surrendered. The licensee surrendered its Small Loan license on June 7, 2006.

Signature redacted. Signed by:

Kimothy Griffin

Examiner (Signature)

Signature redacted. Signed by:

Kerry R. Molin

Exhibit to:

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