

1 State of New Hampshire Banking Department

) Case No.: 10-008

2 In re the Matter of: )

3 State of New Hampshire Banking )

4 Department, )

5 Petitioner, )

6 and )

) Order to Show Cause  
) and Cease and Desist

7 Diversified Real Estate Consultants, )

8 LLC (a/k/a www.drecwholesale.com and )

9 a/k/a www.diversifiedrec.com), Daniel )

10 DePasquale, and Michael Eugene Cline, )

11 Respondents )

12  
13 NOTICE OF ORDER TO SHOW CAUSE AND CEASE AND DESIST ("ORDER")

14 1. This Order commences an adjudicative proceeding under the provisions  
15 of RSA 397-A (including RSA 397-A:17,I and II, RSA 397-A:18,I and II and RSA  
16 397-A:20,IV), RSA 399-D (including RSA 399-D:13,I, RSA 399-D:23,I and II and  
17 RSA 399-D:25, IV) and RSA Chapter 541-A.

18 2. The Commissioner may impose administrative penalties of up to  
19 \$2,500.00 for each violation. RSA 397-A:21,IV and V and RSA 399-D:24,IV and  
20 V.

21 RESPONDENTS

22 3. Diversified Real Estate Consultants, LLC (a/k/a www.drecwholesale.com  
23 and a/k/a www.diversifiedrec.com) ("Respondent Diversified") has a principal  
24 office location of Akron, Ohio but is neither registered with the Ohio  
25 Secretary of State or with the New Hampshire Secretary of State. Information

1 described in the July 8, 2009 California Department of Real Estate Order to  
2 Desist and Refrain filed against, inter alia, Diversified Real Estate  
3 Consultants, LLC and Daniel DePasquale and on the Marketing Manager website  
4 shows that Respondent Diversified was a mortgage loan modification company.  
5 Respondent Diversified is a "Person." RSA 397-A:1,XVIII and RSA 399-  
6 D:2,VII.

7 4. The Nationwide Mortgage Licensing System & Registry ("NMLS") does not  
8 have a record of Respondent Diversified. The New Hampshire Banking  
9 Department's ("Department") records do not show that Respondent Diversified  
10 has ever held a New Hampshire Mortgage Broker license.

11 5. Daniel DePasquale ("Respondent DePasquale") is the Owner and Director  
12 of Respondent Diversified. Respondent DePasquale is not listed on the NMLS.  
13 Respondent DePasquale is a Direct Owner (RSA 397-A:1,VI-a and RSA 399-D:2,V-  
14 b), a Control person (RSA 397-A:21,V-a and RSA 399-D:2,II-a), a Principal  
15 (RSA 397-A:1,XIX and RSA 399-D:2,VII-a) and a Person (RSA 397-A:1,XVIII and  
16 RSA 399-D:2,VII).

17 6. Michael Eugene Cline ("Respondent Cline") is listed on the Marketing  
18 Manager website as the contact person for Respondent Diversified. On the  
19 NMLS, Respondent Cline lists Respondent Diversified as one of his previous  
20 employers (date of employment between July 2008 through November 2009).  
21 Respondent Cline states his position was Operations Manager. Respondent  
22 DePasquale is a Control person (RSA 397-A:21,V-a and RSA 399-D:2,II-a), a  
23 Principal (RSA 397-A:1,XIX and RSA 399-D:2,VII-a) and a Person (RSA 397-  
24 A:1,XVIII and RSA 399-D:2,VII).

25 7. The above-named Respondents are hereinafter known as "Respondents".



1 mortgage loan modification or debt adjustment activity, in violation of RSA  
2 397-A:3,I and RSA 399-D:3,I.

3 13. Sanford Consulting Services, LLC sent the New Hampshire consumers to  
4 both Mortgage Mitigators (which is Docket #10-009) and Respondent  
5 Diversified. It appears that in January 2009 (which is when the New  
6 Hampshire Debt Adjuster Statute would be applicable under RSA Chapter 399-  
7 D), Sanford Consulting Services, LLC would use the services of Respondent  
8 Diversified, then switch to Mortgage Mitigators due to the consumer's income  
9 levels and towards the end of December 2009, switch back to Respondent  
10 Diversified because of the Department's investigation.

11 14. Sanford Consulting Services, LLC collected at least \$1,900.00 from the  
12 New Hampshire consumer once Respondent Diversified begins negotiations with  
13 the consumer's lender or servicer. Sanford Consulting Services, LLC then  
14 forwarded \$395.00 to Mortgage Mitigators and retained the remaining amount.  
15 Respondents collected a total of \$4,345.0 in advance fees from New Hampshire  
16 Consumers A through K in violation of RSA 397-A:14,IV(m) and RSA 399-D:14,I.

17 15. The break down, therefore, of what the above named Respondents owe  
18 each consumer minus the \$395.00 is as follows:

19	Consumer A: \$1,505.00;	Consumer G: \$1,505.00;
20	Consumer B: \$1,505.00;	Consumer H: \$1,505.00;
21	Consumer C: \$1,505.00;	Consumer I \$2,100.00;
22	Consumer D: \$1,505.00;	Consumer J \$1,505.00; and
23	Consumer E: \$2,100.00	Consumer K \$1,505.00.
24	Consumer F: \$1,505.00;	

25 16. Respondent Diversified receives mortgage loan modification

1 documentation from an unlicensed New Hampshire mortgage broker (Sanford  
2 Consulting Services, LLC). Respondent Diversified then processes the  
3 mortgage loan modification and either negotiates directly with the New  
4 Hampshire consumer's lender/servicer or "denies" the New Hampshire the  
5 mortgage loan modification/debt adjustment if it determines the New  
6 Hampshire consumer won't qualify for a mortgage loan modification.  
7 Respondents conduct business, assist or aid and abet Sanford Consulting  
8 Services, LLC (a business under RSA Chapter 397-A without a valid Department  
9 license) in violation of RSA 397-A:14,IV(b).

10 17. To date, Respondents have failed to refund known New Hampshire  
11 Consumers A through K.

12 18. To date, Respondents have failed to apply for a mortgage broker  
13 license or debt adjuster license with the Department  
14

15 \_\_\_\_\_ /s/  
16 Maryam Torben Desfosses  
Hearings Examiner

\_\_\_\_\_  
15 April 25, 2011  
Date

17 **ORDER**

18 19. **I hereby find as follows:**

19 a. Pursuant to RSA 397-A:17,I and RSA 399-D:13,I,, the facts as  
20 alleged above, if true, show Respondents are operating or have operated in  
21 violation of RSA Chapter 397-A and RSA Chapter 399-D respectively and form  
22 the legal basis for this Order;

23 b. Pursuant to RSA 397-A:20,VI and RSA 399-A:25,VI,, this Order is  
24 necessary and appropriate to the public interest and for the protection of  
25

1 consumers and consistent with the intent and purpose of New Hampshire  
2 banking laws;

3 c. The Department finds pursuant to RSA 397-A:17,II, RSA 397-  
4 A:18,II and RSA 399-D:23,II, reasonable cause to issue an order to cease  
5 and desist; and

6 d. Pursuant to RSA 397-A:17,I, RSA 397-A:18,II and RSA 399-D:13,I,  
7 if Respondents fail to respond to this Order and/or defaults then all facts  
8 as alleged herein are deemed as true.

9 20. **Accordingly, it is hereby ORDERED that:**

10 a. Respondents shall cease and desist from violating RSA Chapter  
11 397-A and RSA Chapter 399-D and rules or orders thereunder;

12 b. Respondents shall within 14 days of the date of this Order  
13 provide the Department a list of all New Hampshire consumers for whom  
14 Respondents have conducted mortgage loan modification, mortgage broker and  
15 debt adjuster activity and a status of those accounts. This list must  
16 include the names and contact information of the New Hampshire consumers,  
17 along with monies charged, collected and waived (if applicable). The list  
18 shall also be accompanied by all contracts, checks to and from the consumer  
19 and any other documents in the New Hampshire consumers' files;

20 c. Respondents shall show cause why the Commissioner should not  
21 enter an order of rescission, restitution, or disgorgement of profits and/or  
22 commissions for services rendered;

23 d. Respondents shall show cause why Respondents should not refund  
24 each of its New Hampshire consumers fees paid to Respondents which at a  
25 minimum would be a total of \$17,745.00 (for New Hampshire Consumers A

1 through K);

2 e. Respondents shall show cause why back-license fees of \$500.00  
3 for mortgage broker (mortgage loan modification) activity in 2009 should not  
4 be paid to the Department;

5 f. Respondents shall show cause why back-license fees of \$500.00  
6 for debt adjuster (mortgage loan modification) activity in 2009 should not  
7 be paid to the Department;

8 g. Respondents shall show cause why an administrative fine of up to  
9 a maximum of \$2,500.00 per violation should not be imposed as follows:

10 (1). Respondent Diversified:

11 Violation #1: Engaging in mortgage loan modification  
12 without a New Hampshire mortgage broker license (RSA 397-  
13 A:3,I): 11 Counts;

14 Violation #2: Engaging in mortgage loan modification  
15 without a New Hampshire debt adjuster license (RSA 399-  
16 D:3,I): 11 Counts;

17 Violation #3: Collecting an advance fee from Consumers A  
18 through K as a mortgage broker (RSA 397-A:14,IV(m)): 11  
19 Counts;

20 Violation #4: Collecting an advance fee from Consumers A  
21 through K as a debt adjuster (RSA 399-D:14,I): 11 Counts;

22 Violation #5: Conducting business, assisting or aiding and  
23 abetting any business under RSA Chapter 397-A without a  
24 valid license (RSA 397-A:14,IV(d)): 11 Counts;

1 (2). Respondent DePasquale (as Direct Owner, Principal and  
2 Control person):

3 Violation #1: Engaging in mortgage loan modification  
4 without a New Hampshire mortgage broker license (RSA 397-  
5 A:3,I): 11 Counts;

6 Violation #2: Engaging in mortgage loan modification  
7 without a New Hampshire debt adjuster license (RSA 399-  
8 D:3,I): 11 Counts;

9 Violation #3: Collecting an advance fee from Consumers A  
10 through K as a mortgage broker (RSA 397-A:14,IV(m)): 11  
11 Counts;

12 Violation #4: Collecting an advance fee from Consumers A  
13 through K as a debt adjuster (RSA 399-D:14,I): 11 Counts;

14 Violation #5: Conducting business, assisting or aiding and  
15 abetting any business under RSA Chapter 397-A without a  
16 valid license (RSA 397-A:14,IV(d)): 11 Counts;

17 (3). Respondent Cline (as Principal and Control person):

18 Violation #1: Engaging in mortgage loan modification  
19 without a New Hampshire mortgage broker license (RSA 397-  
20 A:3,I): 11 Counts;

21 Violation #2: Engaging in mortgage loan modification  
22 without a New Hampshire debt adjuster license (RSA 399-  
23 D:3,I): 11 Counts;

24 Violation #3: Collecting an advance fee from Consumers A  
25 through K as a mortgage broker (RSA 397-A:14,IV(m)): 11

