

# State of New Hampshire

**State of New Hampshire  
Banking Department**

**Docket # 10-145**

**v.**

**Federal Loan Modification Law Center,  
LLP, Nabile John Anz, and Jeffrey  
Broughton,**

**Order to Show Cause  
and  
Cease and Desist**

**Respondents**

## **Order to Show Cause and Cease and Desist (“Order”)**

1. This Order commences an adjudicative proceeding under the provisions of RSA Chapter 399-D (including RSA 399-D:13, I, RSA 399-D:23, I and II and RSA 399-D:25, IV) and RSA Chapter 541-A.
2. The Commissioner has jurisdiction to assess penalties up to a maximum fine of \$2,500.00 for each violation. RSA 399-D:24, IV and V.

### **Respondent(s)**

3. Federal Loan Modification Law Center, LLP (“Respondent Federal Loan”) is a business with a principal office location of 9460 Balboa Boulevard, Northridge, CA 90048. The Federal Loan Modification Law Center may also be doing business at 21600 Oxnard Street, Suite 1700, Woodland Hills, CA 91367 and 7555 Irvine Center Drive, Irvine CA 92618. The company is neither registered with the California Secretary of State nor the New Hampshire Secretary of State. Respondent Federal Loan is a “Person.” RSA 399-D:2, VII.
4. Respondent Federal Loan has never held a New Hampshire Debt Adjuster license with the New Hampshire Banking Department (“Department”).

5. Nabile John Anz (“Respondent Anz”) is a partner of Respondent Federal Loan, as identified by the Federal Trade Commission. Respondent Anz is a Control Person (RSA 399-D:2, II-a), a Direct Owner (RSA 399-D:2, V-b) and a Principal (RSA 399-D:2, VII-a), and a Person (RSA 399-D:2, VII).
6. Jeffrey Broughton (“Respondent Broughton”) is the Chief Executive Officer of Respondent Federal Loan, according to the Federal Trade Commission. Respondent Broughton is a Control Person (RSA 399-D:2, II-a), a Principal (RSA 399-D:2, VII-a) and a Person (RSA 399-D:2, VII).
7. The above named Respondents shall be collectively known as “Respondents”.

**Right to a Hearing**

8. 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. Respondents may request a hearing and waive the ten (10) day hearing requirement. The hearing shall comply with RSA 541-A and RSA 399-D:B, I. RSA 399-D:23, I.
9. If any person fails to request a hearing within thirty (30) days of receiving this Order, then such person shall likewise be deemed in default, and the Order shall, on the thirty-first (31<sup>st</sup>) 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 399-D:13, I. RSA 399-D:23, II.
10. A default may result in administrative fines as described in Paragraph 2 above.

**Statement of Alleged Facts**

11. On June 19, 2009, the Department received a complaint from Consumer A, a New Hampshire resident, regarding the Respondents’ business activities within the State of New Hampshire.

12. On September 10, 2009, the Department received a letter from Consumer B, also a New Hampshire resident, regarding the Respondents' business activities within the State of New Hampshire.
13. The Department's investigator discovered that the Respondents entered into an agreement with Consumer A and Consumer B in January of 2009, to perform debt adjustment services in violation of RSA 399-D:3, I.
14. Respondents required Consumer A to pay an advance fee of \$4,100.00 in violation of RSA 399-D:14, I.
15. Respondents required Consumer B to pay an advance fee of \$2,045.00 in violation of RSA 399-D:14, I.
16. The Department's investigator further discovered that the Federal Trade Commission ("FTC") filed an action against the Respondents in the United States District Court, District of California seeking temporary, preliminary and permanent injunctive relief, rescission or reformation of contracts, restitution, disgorgement of ill-gotten monies, and other equitable relief for Defendants' acts or practices in violation of Section 5(a) of the FTC Act, 15 USC § 45 (a).
17. According to FTC pleadings, Respondent Anz is a partner and Respondent Broughton is the Chief Executive Officer of Respondent Federal Loan.
18. On October 7, 2010, the Department mailed a certified letter to the Respondents requesting that they provide, within (10) days of receipt, a response regarding the alleged unlicensed activity, a New Hampshire transaction list, contact information and a consumer contract, if applicable. The certified letter was returned on October 12, 2010, as "Moved Left No Address Unable To Forward Return To Sender."
19. On March 3, 2011, the Department mailed a second letter, identical to the letter above to the Respondents' office location address at 9460 Balboa Boulevard, Northridge, CA

90048. The letter again requesting that Respondents provide, within (10) days of receipt, a response regarding the alleged unlicensed activity, a New Hampshire transaction list, contact information and a consumer contract, if applicable. As of March 22, 2011, the Respondents have failed to respond to the Department's requests for information in violation RSA of 399-D:22, VIII.

**Alleged Violations:**

Respondent Federal Loan:	2 Counts for unlicensed activity as a debt adjuster
	RSA 399-D:3, I
	2 Counts for contracting to collect an unequally amortized fee
	RSA 399-D:14, I
	2 Counts for collecting an advance fee
	RSA 399-D:14, I
	2 Counts for failure to produce requested documents
	RSA 399-D:22, VIII
Respondent Anz ( <i>as a control person, direct owner and principal</i> ):	2 Counts for unlicensed activity as a debt adjuster
	RSA 399-D:3, I
	2 Counts for contracting to collect an unequally amortized fee
	RSA 399-D:14, I
	2 Counts for collecting an advance fee
	RSA 399-D:14, I
	2 Counts for failure to produce requested documents

RSA 399-D:22, VIII

Respondent Broughton (*as a control person and principal*):

2 Counts for unlicensed activity as a debt adjuster

RSA 399-D:3, I

2 Counts for contracting to collect an unequally amortized fee

RSA 399-D:14, I

2 Counts for collecting an advance fee

RSA 399-D:14, I

2 Counts for failure to produce requested documents

RSA 399-D:22, VIII

Respectfully Submitted:

/s/

Raef J. Granger, Esq.  
Hearings Examiner  
N.H. Banking Department

04/13/11

Date

### **Order**

**2. I hereby find as follows:**

- a. Pursuant to RSA 399-D:13, I, the facts as alleged above, if true, show Respondents are operating or have operated in violation of RSA Chapter 399-D and form the legal basis for this Order;
- b. Pursuant to RSA 399-D:25, VI, this Order is necessary and appropriate to the public interest and for the protection of consumers and consistent with the intent and purpose of New Hampshire banking laws;

- c. Pursuant to RSA 399-D:23, II, reasonable cause exists to issue an order to cease and desist; and
- d. If Respondents fail to respond to this Order and/or default then all facts as alleged herein are deemed as true.

**3. Accordingly, it is hereby ORDERED that:**

- a. Respondents shall immediately cease and desist from violating RSA Chapter 399-D and rules or orders thereunder;
- b. Respondents shall within fourteen (14) days of the date of this Order provide to the Department a list of all New Hampshire consumers for whom Respondent has conducted or contracted to conduct debt adjustment activities. This list must include the names and contact information of the New Hampshire consumers, along with all monies charged, collected and waived (if applicable). The list shall also be accompanied by all contracts, checks to and from the consumer and any other documents in the New Hampshire consumers' files;
- c. Respondents shall show cause why the Commissioner should not enter an order of rescission, restitution, or disgorgement of profits;
- d. Respondents shall show cause why the Commissioner should not recover costs for investigation of this matter in the minimum amount of \$2,250.00;
- e. Respondents shall show cause why administrative penalties of a minimum of \$20,000.00 per Respondent should not be imposed; and
- f. Nothing in this Order shall prevent either 1) the Department from taking any further administrative and legal action as necessary under New Hampshire law or 2) the New Hampshire Office of the Attorney General from bringing an action against the above-named Respondent in any New Hampshire

superior court, with or without prior administrative action by the  
Commissioner.

**SO ORDERED,**

Entered this April 14, 2011.

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/s/

Robert A. Fleury, Deputy Bank Commissioner  
New Hampshire Banking Department