

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 10-182
)
 3 State of New Hampshire Banking Department,)
)
 4 Petitioner,)
)
 5 and) Consent Order
)
 6 Residential Home Funding Corp., David P.)
)
 7 Stein, Julie Salazar, Roberto Lupi, Thomas)
)
 8 Marinaro, Zachary Sanford, and James)
)
 9 Jackson,)
)
 10 Respondents)
)

11 CONSENT ORDER

12 The State of New Hampshire Banking Department (the "Department") finds and
13 Orders as follows:

14 **Respondents**

- 15 1. Residential Home Funding Corp. ("RHF") is a corporation duly formed in
 16 the State of New York on December 7, 2000 with its principal office
 17 location in White Plains, New York and previously in Briarcliff Manor,
 18 New York. RHF registered with the New Hampshire Secretary of State on
 19 January 5, 2007 under the trade name "RHF Funding Co.". In New
 20 Hampshire, RHF has been licensed as a Mortgage Banker since at least
 21 April 20, 2009.
- 22 2. David P. Stein ("Stein") is a 25% owner and the Chief Operating
 23 Officer of RHF. Stein is also a licensed New Hampshire Mortgage Loan
 24 Originator.
- 25 3. Julio Salazar ("Salazar") is a 25% owner and the Chief Financial

1 officer of RHF.

2 4. Roberto Lupi ("Lupi") is a 25% owner, the Chief Executive Officer and
3 Secretary of RHF.

4 5. Thomas Marinaro ("Marinaro") is a 25% owner and President of RHF.

5 6. Zachary Sanford ("Sanford") was a licensed New Hampshire Mortgage Loan
6 Originator from April 27, 2009 through January 1, 2010 but was
7 sponsored by RHF from February 27, 2009 through June 21, 2010.

8 7. James Jackson ("Jackson") is an unlicensed New Hampshire Mortgage Loan
9 Originator.

10 8. The above named Respondents are hereby collectively known as
11 "Respondents".

12 **Jurisdiction**

13 9. The Department is authorized to regulate mortgage brokers pursuant to
14 RSA Chapter 397-A. RSA 397-A:2.

15 10. The Commissioner has jurisdiction to issue orders to show cause and to
16 cease and desist from violations under RSA Chapter 397-A and to
17 revoke, deny, or suspend a license of a licensee and/or assess
18 penalties pursuant to RSA Chapter 397-A. RSA 397-A:17, RSA 397-A:18
19 and RSA 397-A:21.

20 **Facts**

21 11. On May 13, 2011, the Department issued an Order to Show Cause and
22 Cease and Desist against the above named Respondents for, among other
23 allegations, unlicensed mortgage loan originator activity, failure to
24 maintain email copies and the failure to supervise employees.

25 12. Fees collected by Respondents while employing or serving as unlicensed

1 New Hampshire mortgage loan originators for closed loans (one
2 additional loan did not close) total \$3,980.64 as follows:

- 3 a. Consumer A = \$2,647.13;
- 4 b. Consumer B = \$735.91; and
- 5 c. Consumer C = \$597.60.

6 13. RHF has indicated it does not maintain email communications and has
7 indicated it has improved procedures to properly supervise its
8 employees and mortgage loan originators.

9 **Violation(s) of Law and Penalties**

- 10 14. Respondents are "Persons" as defined by RSA 397-A:1, XVIII.
- 11 15. Respondents may be assessed an administrative fine not to exceed
12 \$2,500.00 for each violation of RSA Chapter 397-A. RSA 397-A:21, IV
13 and V.

14 **Respondents' Consent**

- 15 16. Respondents do not deny the facts, statements, or violations contained
16 herein and Respondents hereby agree to the entry of this Consent
17 Order.
- 18 17. Respondents have voluntarily entered into this Consent Order without
19 reliance upon any discussions between the Department and Respondents,
20 without promise of a benefit of any kind (other than concessions
21 contained in this Consent Order), and without threats, force,
22 intimidation, or coercion of any kind. Respondents further acknowledge
23 their understanding of the nature of the allegations set forth in this
24 action, including the potential penalties provided by law.
- 25 18. Respondents hereby acknowledge, understand, and agree that there is

1 the right to notice, hearing, and/or a civil action and hereby waive
2 said rights.

3 **Order**

4 19. **Whereas pursuant to RSA 397-A:20,VI**, this Consent Order is necessary,
5 appropriate and in the public interest and consistent with the intent
6 and purposes of New Hampshire banking laws, the Department Orders as
7 follows:

8 a. RHF shall reimburse Consumers A through C the fees charged as
9 described in Paragraph 12 above, payable contemporaneously with
10 Respondents' signing of this Consent Order. Each check should be
11 made out to the specific consumer and submitted to the
12 Department along with current contact information to forward to
13 the consumer;

14 b. RHF shall pay to the Department \$15,000.00 in administrative
15 penalties for unlicensed mortgage broker activity, failure to
16 maintain email copies and the failure to properly supervise
17 employees;

18 c. Respondents shall cease and desist from any and all unlicensed
19 mortgage loan originator activity with New Hampshire consumers;

20 d. Respondents shall maintain all electronic communications
21 (including but not limited to emails) for a period of at least
22 three (3) years; and

23 e. All checks shall be bank check or guaranteed funds and made
24 payable to "State of New Hampshire", except for those
25 specifically made payable to Consumers A through C.

1 20. This Consent Order may be revoked and the Department may pursue any
2 and all remedies available under law, if the Department later finds
3 that Respondents knowingly or willfully withheld information used and
4 relied upon in this Consent Order.

5 21. This Consent Order is binding on all heirs, assigns, and/or successors
6 in interest.

7 22. This Consent Order shall become effective upon the date the
8 Commissioner signs this Consent Order.

9 23. Once this Consent Order is effective, the Department agrees not to
10 seek further reimbursement, refunds, penalties, fines, costs, or fees
11 regarding the facts, allegations, or findings of violations contained
12 herein.

13 **WHEREFORE**, based on the foregoing, we have set our hands to this Consent
14 Order, upon its execution by Ronald A. Wilbur, Bank Commissioner.

15 Recommended this 12th day of October, 2011 by

16 _____
/s/

17 Maryam Torben Desfosses, Hearings Examiner, Banking Department

18
19 Executed this 20th day of October, 2011 by

20 _____
/s/

21 E. Robert Levy, Esq., as Counsel for Residential Home Funding Corp., David
22 P. Stein, Julio Salazar, Roberto Lupi, Thomas Marinaro, Zachary Sanford, and
James Jackson

23 **SO ORDERED.**

24 _____
/s/

25 Ronald A. Wilbur,
Deputy Bank Commissioner

Dated: 10/21/2011