

State of New Hampshire
Banking Department

In re:)	
)	Case Nos.: 10-490, 11-053, & 11-066
State of New Hampshire Banking)	
Department,)	
)	Order to Cease and Desist
 Petitioner,)	
)	
 and)	
)	
H&R Financial Services, Inc., Alpha &)	
Omega Services, Inc., and William “John”)	
Heckler,)	
)	
 Respondents)	

Now comes the petitioner, the State of New Hampshire Banking Department (the “Department”), commencing an adjudicative proceeding under the provisions of RSA Chapter 397-A and RSA Chapter 541-A against the respondents, H&R Financial Services, Inc. (“H&R”), Alpha & Omega Services, Inc. (“Alpha & Omega”), and William “John” Heckler.

JURISDICTION

The Department licenses and regulates persons “engage[d] in the business of offering, originating, making, funding, or brokering mortgage loans from the state of New Hampshire or mortgage loans secured by real property located in the state of New Hampshire.” RSA 397-A:2, I.

RESPONDENTS

1. H&R is a corporation incorporated in the State of New Mexico and is in good standing until March 15, 2014. The State of New Mexico lists H&R as having a mailing address of 6565 Americas Pkwy NE, Albuquerque, NM 87110. Mail sent to

this address has been returned as “unable to forward.” H&R has never held a New Hampshire Mortgage Broker license.

2. Alpha & Omega is a corporation incorporated in the State of California with a mailing address of 6411 Puma Place, Rancho Cucamonga, CA 91737. Alpha & Omega has never held a New Hampshire Mortgage Broker license.
3. Mr. Heckler is an individual with a mailing address of 6411 Puma Place, Rancho Cucamonga, CA 91737. Mr. Heckler is the president of H&R and the registered agent of Alpha & Omega. Mr. Heckler has never held a New Hampshire Mortgage Broker license.

FACTS

On or about November 16, 2010, the Department received a complaint from Consumer A, alleging H&R offered to “modify [his] house payments to lower them.” Consumer A’s home is located in New Hampshire. Consumer A alleges that he had been working with H&R since July 2010. Consumer A allegedly paid the respondents \$2,000 and did not receive a mortgage loan modification from H&R.

On or about February 2, 2011, the Department received a complaint from Consumer B regarding H&R and Alpha & Omega. Consumer B’s home is located in New Hampshire. Consumer B alleges that around Thanksgiving 2010, H&R contacted her and her husband and offered them “a 2% interest rate on [their] mortgage.” Subsequently a representative from H&R recommended that Consumer B and her husband do a loan modification. Consumer B states that she and her husband submitted paperwork to H&R on or about November 29, 2010. The representative from H&R told Consumer B that her paperwork would be submitted to their

mortgage company on December 1, 2010, and that she should no longer have contact with the mortgage company.

Consumer B alleges that she told the representative that she could not afford to pay \$1,200 to H&R and pay the mortgage too. The representative “suggested not paying [the] mortgage that the mortgage company would move faster if [they] didn’t pay.” Consumer B writes in the complaint that on December 13, 2010, H&R took \$1,200 out of her bank account.

Consumer B alleges that by the end of December 2010, she called H&R many times and was unable to get through to a representative. She further states that H&R’s phone number was eventually disconnected. Consumer B contacted the representative from H&R via his cell phone. The representative explained to Consumer B that H&R had been bought out by Alpha & Omega. The representative also gave Consumer B new contact information for Alpha & Omega and assured her that her loan modification paperwork was “all set.”

Consumer B also alleges that during the first week of January 2011, she called Alpha & Omega and her new loan negotiator told her that she needed to sign a new contract. Consumer B’s new loan negotiator also told her that her paperwork had not been submitted to the mortgage company. Shortly after that time, Consumer B received notice from the mortgage company that it was foreclosing on her home. Meanwhile, Alpha & Omega tried to take a second payment out of Consumer B’s bank account, but the payment was stopped by the bank. Subsequently, on January 18, 2011, the loan negotiator from Alpha & Omega contacted Consumer B to let her know that they had submitted her paperwork to the mortgage company. Consumer B’s husband was able to confirm that information with the mortgage company.

Consumer B states that Mr. Heckler subsequently contacted her and asked her to make a direct deposit into Alpha & Omega’s bank account to complete the loan modification. On

January 21, 2011, Consumer B attempted to direct deposit the money to Alpha & Omega, but the bank put a hold on the deposit. That evening, Consumer B received an email from the loan negotiator explaining that she no longer worked for Alpha & Omega and that the company “was not what she expected.” Consumer B alleges that she stopped payment on the direct deposit the next day.

Consumer B also submitted the following documents to the Department along with her complaint: (1) an “Authorization to Represent” signed by Consumer B and her husband and printed on Alpha & Omega letterhead dated January 13, 2011; (2) a fee agreement between Consumer B, her husband and Alpha & Omega printed on Alpha & Omega letterhead dated January 13, 2011; (3) emails between Consumer B, her husband, and various representative of Alpha & Omega dated January 4, 2011 through January 21, 2011; (4) an “Authorization to Represent” signed by Consumer B and her husband and printed on H&R letterhead dated November 21, 2010; (5) a “Required Documentation & Instructions” printed on H&R letterhead; (6) a “Hardship Letter Guide” printed on H&R letterhead and initialed by Consumer B and her husband; (7) an “Explanation of Financial Hardship Letter” printed on H&R letterhead and signed by Consumer B and her husband dated November 21, 2010; (8) an “Expenses Worksheet” printed on H&R letterhead and initialed by Consumer B and her husband; (9) an “Income Worksheet” printed on H&R letterhead and initialed by Consumer B and her husband; (10) a “Payment Form” printed on H&R letterhead; (11) a “H&R Financial Services Inc. Client Agreement” dated November 29, 2010; and (12) an email from a representative of H&R to Consumer B’s husband dated November 29, 2010.

Upon receipt of these two complaints, the Department attempted to contact the respondents without success. On August 6, 2012, the Department sent an administrative

subpoena to Mr. Heckler and Alpha & Omega at 6411 Puma Place, Rancho Cucamonga, CA and received a response from Mr. Heckler. Mr. Heckler denied that he or Alpha & Omega provided loan modification services to New Hampshire consumers. Additionally, he stated that an individual named Richard Ruegsegger¹ owned and operated H&R, but that H&R had gone bankrupt and/or had been dissolved.

Upon request of Mr. Heckler, the Department forwarded him copies of the consumer complaints which had been redacted to remove all confidential complainant information. Upon review of these complaints, Mr. Heckler continued to deny H&R's, Alpha & Omega's and his involvement in providing loan modification services to New Hampshire consumers. Subsequently, the Department commenced this adjudicative action.

GOVERNING LAW

Under RSA 397-A:3, I, “[a]ny person . . . that, in its own name or on behalf of other persons, engages in the business of making or brokering mortgage loans secured by real property located in this state shall be required to obtain a license from the department.” A “mortgage broker” is defined as “a person . . . who for compensation or gain, or in the expectation of compensation or gain, either directly or indirectly . . . [a]cts as an intermediary, finder, or agent of a lender or borrower for the purpose of negotiating, arranging, finding, or procuring mortgage loans.” RSA 397-A:1, XIII.

“The [Department] may issue a cease and desist order against any licensee or person who it has reasonable cause to believe is in violation of the provisions of [RSA Chapter 397-A] or any rule or order under [RSA Chapter 397-A].” Additionally, the State of New Hampshire Bank

¹ Richard Ruegsegger is listed as the Secretary and Treasurer for H&R by the Corporations Division of the New Mexico Secretary of State website. The Department was unable to locate Mr. Ruegsegger and, as outlined above, mail sent to the address listed by the New Mexico Secretary of State was returned to the Department as “unable to forward.”

Commissioner (the “Commissioner”) “may by order, upon due notice and opportunity for hearing, assesses penalties . . . if it is in the public interest and the . . . respondent, or . . . any partner, officer, member, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the . . . respondent . . . has violated any provision of [RSA Chapter 397-A] or rules or orders thereunder.” RSA 397-A:17, I(a). The Commissioner may also “enter an order of rescission, restitution, or disgorgement of profits directed to a person who has violated [RSA Chapter 397-A], or a rule or order under [RSA Chapter 397-A].” RSA 397-A:17, VIII.

FINDINGS

Pursuant to RSA 397-A:18, II, the Department has reasonable cause to believe that the respondents have violated the following provisions of RSA Chapter 397-A:

- a. RSA 397-A:3, I: The respondents knowingly or negligently violated RSA 397-A:3, I when they offered to negotiate the terms of Consumer A’s mortgage secured by real property located in New Hampshire in exchange for financial compensation without a license from the Department; and
- b. RSA 397-A:3, I: The respondents knowingly or negligently violated RSA 397-A:3, I when they offered to negotiate the terms of Consumer B’s mortgage secured by real property located in New Hampshire in exchange for financial compensation without a license from the Department.

Pursuant to RSA 397-A:20, VI, this Order is necessary and appropriate to the public interest, for the protection of consumers, and consistent with the purposes fairly intended by the policy and provisions of RSA Chapter 397-A.

ORDER

Accordingly, pursuant to RSA 397-A:17, I(a) and RSA 397-A:17, II, the Commissioner orders as follows:

1. The respondents shall cease and desist from violating RSA Chapter 397-A and any rules or order under RSA Chapter 397-A;
2. The respondents shall provide restitution to Consumer A pursuant to RSA 397-A:17, VIII;
3. The respondents shall be assessed an administrative fine of \$2,500 for knowingly or negligently violating RSA 397-A:3, I when they engaged in the business of brokering Consumer A's mortgage loan without a license from the Department;
4. The respondents shall provide restitution to Consumer B pursuant to RSA 397-A:17, VIII; and
5. The respondents shall be assessed an administrative fine of \$2,500 for knowingly or negligently violating RSA 397-A:3, I when they engaged in the business of brokering Consumer B's mortgage loan without a license from the Department.

NOTICE OF RIGHT TO A HEARING

The respondents have a right to request a hearing in writing on this Order to Cease and Desist. If requested, “[a] hearing shall be held not later than 10 days after the request for such hearing is received by the commissioner.” RSA 397-A:18, II.

If the respondents “fail[] to request a hearing within 30 calendar days of receipt of such order, then such person shall likewise be deemed in default, and the order shall, on the thirty-first day, become permanent, and shall remain in full force and effect until and unless later modified or vacated by the commissioner, for good cause shown.” Id.

RECOMMENDED by:

9/11/12

Date

/s/

Emelia A.S. Galdieri
N.H. Bar #19840
Hearings Examiner
State of New Hampshire Banking Department

ORDERED by:

9/11/12

Date

/s/

Ronald A. Wilbur
State of New Hampshire Bank Commissioner

CERTIFICATE OF SERVICE

I, Emelia A.S. Galdieri, hereby certify that on 12 September 2012, a copy of this Order to Cease and Desist was sent to the following parties via U.S. Registered Mail First Class:

William "John" Heckler
Alpha & Omega Financial Services, Inc.
6411 Puma Place
Rancho Cucamonga, CA 91737

/s/
Emelia A.S. Galdieri
N.H. Bar #19840
Hearings Examiner
State of New Hampshire Banking Department