

1 State of New Hampshire Banking Department

2

3 In re the Matter of: ) Case No.: 07-008  
 )  
 4 State of New Hampshire Banking )  
 )  
 5 Department, )  
 ) Consent Order  
 6 Petitioner, )  
 )  
 7 and )  
 ) \*Applies to Respondents Heffernan and  
 8 Mortgage Lenders Network USA Inc ) Pedrick only  
 )  
 9 Mitchell Heffernan, and James )  
 )  
 10 Pedrick,  
 11 Respondents

---

12  
13 CONSENT ORDER

14 I. For purposes of settling the above-referenced matter, among other  
 15 things, the New Hampshire Banking Department (hereinafter referred to  
 16 as "the Department") and Respondents Heffernan and Pedrick, do hereby  
 17 enter this Agreement and stipulate to the following:

- 18 1. Respondent are shareholders, directors and former officers of  
 19 Respondent Mortgage Lenders Network USA Inc (hereinafter referred  
 20 to as "MLN") which was licensed to conduct mortgage banking  
 21 activity by the Department pursuant to RSA 397-A:3.
- 22 2. The Respondents were issued an Order to Show Cause and Cease and  
 23 Desist Order (the "Department Orders") on January 19, 2007.
- 24 3. Respondents requested a hearing on the Department Orders.
- 25 4. MLN subsequently filed for bankruptcy protection.
5. This Consent Decree shall not constitute either an adjudication  
 of a finding on the merits of the Department's Orders against  
 Respondents Heffernan and Pedrick and shall not be construed to

1 be an admission by Respondents Heffernan and Pedrick of any  
2 violation of the Department's mortgage banking laws, regulations  
3 and/or rules.

4 6. A hearing on the Department Orders was scheduled and subsequently  
5 continued to allow negotiations between the Department and  
6 Respondents.

7 II. For purposes of amicably resolving and closing the above-referenced  
8 matters the Respondents agree to the following terms and conditions and the  
9 Department accepts the same:

- 10 1. The Respondents agree that they have voluntarily entered into this  
11 Agreement without reliance upon any discussions between the  
12 Department and Respondents, without promise of a benefit of any kind  
13 (other than concessions contained in this Agreement), and without  
14 threats, force, intimidation, or coercion of any kind. The  
15 Respondents further acknowledge their understanding of the nature of  
16 the offenses stated above, including the penalties provided by law.
- 17 2. The Respondents agree to waive any and all rights to a hearing and  
18 appeal thereof.
- 19 3. The Respondents agree that they will not deny the factual basis for  
20 this Agreement to which they have stipulated above and will not give  
21 conflicting statements about such facts or their involvement in the  
22 stipulated facts.
- 23 4. The Respondents agree that all terms of this Agreement are  
24 contractual and none is a mere recital.
- 25 5. The Respondents will pay an administrative penalty of \$16,500 to the  
Department for violations of RSA 397-A:14-b by MLN.
6. The Respondents will pay to consumers the amount listed in a non-  
public addendum to this agreement within 90 days of this agreement.  
The Respondents will make an accounting to the Department and will  
pay the funds directly to the Department.
7. The Respondents acknowledge they are jointly and severally liable  
for the payments referenced above.

1 8. The Respondents acknowledge that failure to make payment as agreed  
2 above or further violations of law will result in license action and  
3 additional administrative fines.

4 9. The Department agrees to waive all administrative fines if the  
5 payments to consumers are completed within 60 days of the signing of  
6 this agreement.

7 10. Respondents hereby agree to a prohibition on their involvement in  
8 any New Hampshire mortgage business for a period of three years  
9 commencing from January 1, 2007 and expiring on December 31, 2009.

10 11. Each person who signs this Consent Order in a representative  
11 capacity warrants that his or her execution of this Consent Order is  
12 duly authorized, executed, and delivered by and for the entity for  
13 which he signs.

14 This Agreement represents the complete and final resolution of, and discharge  
15 of any basis for any civil or administrative proceeding by the Department  
16 against the Respondent for violations arising as a result of or in connection  
17 with any actions or omissions by the Respondent through the date of this  
18 Order as it applies to the allegations contained in the Department Orders.  
19 The Department expressly reserves its right to pursue any administrative or  
20 civil action or remedy available to it should the Respondents breach this  
21 Agreement or in the future violate the Act or rules and orders promulgated  
22 thereunder.  
23  
24  
25

