

1 State of New Hampshire Banking Department

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

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13 Motion to Stay

14 I. The staff of the Banking Department, State of New Hampshire (hereinafter
15 referred to as the "Department") alleges the following facts:

- 16 1. Respondent Mortgage Lenders Network USA Inc. (MLN) was issued an Order
 17 to Show Cause and Cease and Desist Order on January 19, 2007.
- 18 2. Respondents Heffernon and Pedrick were named individually pursuant to
 19 RSA 397-A:21.
- 20 3. On February 5, 2007 Respondent MLN filed a Chapter 11 Bankruptcy
 21 Petition in the United States Bankruptcy Court for the District of
 22 Delaware.

23 II. The staff of the Banking Department, State of New Hampshire alleges the
 24 following issues of law:
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1 1. Section 362 of the Bankruptcy Code grants an automatic stay of actions
2 involving the petitioner "including the issuance or employment of
3 process, of a judicial, administrative, or other action or proceeding
4 against the debtor that was or could have been commenced before the
5 commencement of the case under this title, or to recover a claim
6 against the debtor that arose before the commencement of the case under
7 this title."

8 2. The Bankruptcy code is silent as to the continuation of regulatory or
9 other action that arises against individuals in the petitioner's
10 employment who have not themselves submitted a Bankruptcy petition.

11 **RELIEF REQUESTED**

12 The staff of the Banking Department requests the Commissioner take the
13 following action:

- 14 1. Find as fact the allegations contained in section I; and
15 2. Make conclusions of law relative to the allegations contained in section
16 II; and
17 3. Stay the previously issued order consistent with the provisions of §362
18 of the Bankruptcy code against Respondent MLN only; and
19 4. Schedule a hearing after request for one is made for Respondents
20 Heffernon and Pedrick or find them in default on expiration of the time
21 period in the original notice; and
22 5. Take such other administrative and legal actions as are necessary for
23 enforcement of the New Hampshire Banking laws, the protection of New
24 Hampshire citizens, and to provide other equitable relief.
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