

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 07-153
)
 3 State of New Hampshire Banking)
 4 Department,) Order to Show Cause
)
 5 Petitioner,)
)
 6 and)
)
 7 Lighthouse Funding, LLC (d/b/a LH)
)
 8 Funding), and Mariya Zaurova,)
)
 9 Respondents)

10 NOTICE OF ORDER TO SHOW CAUSE

11 This Order to Show Cause commences an adjudicative proceeding under
12 the provisions of RSA Chapter 397-A and RSA Chapter 541-A.

13 LEGAL AUTHORITY AND JURISDICTION

14 Pursuant to RSA 397-A:17, the Banking Department of the State of New
15 Hampshire (hereinafter the "Department") has the authority to issue an order
16 to show cause why license revocation and penalties for violations of New
17 Hampshire Banking laws should not be imposed.

18 Pursuant to RSA 397-A:18, the Department has the authority to issue a
19 complaint setting forth charges whenever the Department is of the opinion
20 that the licensee or person over whom the Department has jurisdiction is
21 violating or has violated any provision of RSA Chapter 397-A, or any rule or
22 order thereunder.

23 Pursuant to RSA 397-A:20,IV the Commissioner may issue, amend, or
24 rescind such orders as are reasonably necessary to comply with the
25 provisions of the Chapter.

1 Pursuant to RSA 397-A:21, the Commissioner has the authority to
2 suspend, revoke or deny any license and to impose administrative penalties
3 of up to \$2,500.00 for each violation of New Hampshire banking law and
4 rules.

5 Pursuant to RSA 383:10-d, the Commissioner shall investigate conduct
6 that is or may be an unfair or deceptive act or practice under RSA Chapter
7 358-A and exempt under RSA 358-A:3,I or that may violate any of the
8 provisions of Titles XXXV and XXXVI and administrative rules adopted
9 thereunder. The Commissioner may hold hearings relative to such conduct and
10 may order restitution for a person or persons adversely affected by such
11 conduct.

12 **NOTICE OF RIGHT TO REQUEST A HEARING**

13 The above named Respondents have the right to request a hearing on
14 this Order to Show Cause, as well as the right to be represented by counsel
15 at each Respondent's own expense. All hearings shall comply with RSA Chapter
16 541-A. Any such request for a hearing shall be in writing, and signed by the
17 Respondent or the duly authorized agent of the above named Respondent, and
18 shall be delivered either by hand or certified mail, return receipt
19 requested, to the Banking Department, State of New Hampshire, 53 Regional
20 Drive, Suite 200, Concord, NH 03301. Such hearings will be scheduled within
21 10 days of the Department's receipt of the request. If a Respondent fails to
22 appear at the hearing after being duly notified, such person shall be deemed
23 in default, and the proceeding may be determined against the Respondent upon
24 consideration of this Order to Show Cause, the allegations of which may be
25 deemed to be true.

1 If any of the above named Respondents fails to request a hearing within
2 30 calendar days of receipt of such order or reach a formal written and
3 executed settlement with the Department within that time frame, then such
4 person shall likewise be deemed in default, and the orders shall, on the
5 thirty-first day, become permanent, and shall remain in full force and effect
6 until and unless later modified or vacated by the Commissioner, for good cause
7 shown.

8 **STATEMENT OF ALLEGATIONS, APPLICABLE LAWS AND REQUEST FOR RELIEF**

9 The Staff Petition dated March 1, 2010 (a copy of which is attached
10 hereto) is incorporated by reference hereto.

11 **ORDER**

12 WHEREAS, finding it necessary and appropriate and in the public
13 interest, and consistent with the intent and purposes of the New Hampshire
14 banking laws; and

15 WHEREAS, finding that the allegations contained in the Staff Petition,
16 if proved true and correct, form the legal basis of the relief requested;

17 It is hereby ORDERED, that:

- 18 1. Respondent Lighthouse Funding, LLC (d/b/a LH Funding)
19 ("Respondent Lighthouse") shall show cause why penalties in
20 the amount of \$7,500.00 should not be imposed against it;
- 21 2. Respondent Mariya Zaurova ("Respondent Zaurova") shall show
22 cause why penalties in the amount of \$12,500.00 should not be
23 imposed against her;
- 24 3. The above named Respondents shall show cause why, in addition
25 to the penalties listed in Paragraphs 1 through 2 above, a

1 statutory penalty of \$2,500.00 should not be imposed for
2 failing to file the 2007 annual report;

3 4. The above named Respondents shall show cause why, in addition
4 to the penalties listed in Paragraphs 1 through 2 above, a
5 statutory penalty of \$2,500.00 should not be imposed for
6 failing to file the financial statement;

7 5. Respondents shall be jointly and severally liable for the
8 above amounts alleged in Paragraphs 1 through 4 above;

9 6. The above named Respondents shall show cause why, in addition
10 to the penalties listed in Paragraphs 1 through 5 above,
11 Respondent Lighthouse's license should not be revoked.

12 It is hereby further ORDERED that:

13 7. Along with the administrative penalties listed for the above
14 named Respondents, the outstanding sum of \$5,000.00 shall be
15 immediately paid; and

16 8. Failure to request a hearing within 30 days of the date of
17 receipt or valid delivery of this Order to Show Cause shall
18 result in a default judgment being rendered and
19 administrative penalties imposed upon the defaulting
20 Respondent(s).

21
22 SIGNED,

23
24 Dated: 03/11/10

25 /s/
PETER C. HILDRETH
BANK COMMISSIONER

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 07-153
)
 3 State of New Hampshire Banking)
)
 4 Department,) Staff Petition
)
 5 Petitioner,) March 1, 2010
)
 6 and)
)
 7 Lighthouse Funding, LLC (d/b/a LH)
)
 8 Funding), and Mariya Zaurova,)
)
 9 Respondents)

10 I. STATEMENT OF ALLEGATIONS

11 The Staff of the Banking Department, State of New Hampshire (hereinafter
12 "Department") alleges the following facts:

13 Facts Common on All Counts:

- 14 1. Respondent Lighthouse Funding, LLC (d/b/a LH Funding)
 15 (hereinafter "Respondent Lighthouse") was licensed as a Mortgage
 16 Banker from at least March 31, 2005 (with an amended license date
 17 of June 14, 2005) until it surrendered its license on July 13,
 18 2007.
- 19 2. Respondent Mariya Zaurova (hereinafter "Respondent Zaurova") was
 20 the President of Respondent Lighthouse, when licensed by the
 21 Department.

22
23 [REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
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25

1 Violation of RSA 397-A:10-a,I(a) Failure to Properly Surrender License (1
2 Count):

3 Violation of RSA 397-A:13,I Failure to File Annual Report (1 Count):

4 Violation of RSA 397-A:13,VI Failure of Officer and Owner to Respond to
5 Department Inquiries (1 Count):

6 3. Paragraphs 1 through 2 are hereby realleged as fully set forth
7 herein.

8 4. The 2007 Annual Report was due on or before February 1, 2008.

9 5. On July 19, 2007, the Department received Respondents' surrender
10 letter and original license. Therefore, the Department sent a
11 letter to Respondents requesting the 2007 annual report and
12 surrender paperwork to be filed.

13 6. On February 5, 2008, the Department via U.S. Certified Mail Return
14 Receipt requested sent a reminder letter to Respondents regarding
15 the filing of the 2007 annual report. Respondents received this
16 correspondence on February 8, 2008.

17 7. To date, the above named Respondents have failed to respond to the
18 Department's correspondence and have failed to properly file
19 surrender documents.

20 8. To date, the accrued penalty for failure to file an annual report
21 has reached the maximum cap of \$2,500.00 (\$25.00 per day/maximum
22 of \$2,500.00).

1 Violation of RSA 397-A:13,II Failure to File Financial Statement (1 Count):

2 Violation of RSA 397-A:13,VI Failure of Officer and Owner to Respond to

3 Department Inquiries (1 Count):

4 9. Paragraphs 1 through 8 are hereby realleged as fully set forth
5 herein.

6 10. The Respondents' fiscal year end was December 31, 2006 and the
7 financial statement was due on or before April 2, 2007.

8 11. Respondent Lighthouse was licensed on the date the financial
9 statement filing was due the Department.

10 12. The Department sent Respondent Lighthouse a reminder letter on
11 January 14, 2007, with a follow-up on April 4, 2007 and the final
12 follow-up letter on April 25, 2007.

13 13. On May 3, 2007, the Department's Licensing Division sent a
14 reminder letter.

15 14. On June 21, 2007, the Department's Legal Division sent a draft
16 consent agreement by U.S. Certified Mail Return Receipt
17 requested, which Respondents received on June 25, 2007.

18 Respondents have failed to respond to the Department's reminder
19 letters and draft consent agreement regarding the financial
20 statement.

21 15. To date, the accrued penalty for failure to file a financial
22 statement has reached the maximum cap of \$2,500.00 (\$25.00 a day,
23 maximum \$2,500.00).

1 **II. ISSUES OF LAW**

2 The staff of the Department alleges the following issues of law:

- 3 1. The Department realleges the above stated facts in Paragraphs 1
4 through 15 as fully set forth herein.
- 5 2. The Department has jurisdiction over the licensing and regulation
6 of persons engaged in mortgage banker or broker activities
7 pursuant to NH RSA 397-A:2 and RSA 397-A:3.
- 8 3. RSA 397-A:10-a,I(a) provides that a licensee who ceases to engage
9 in the business of a mortgage banker or mortgage broker at any
10 time during a license year for any cause shall surrender such
11 license in person or by registered or certified mail to the
12 Commissioner within 15 calendar days of such cessation, and shall
13 cause to be published in a newspaper of general circulation in the
14 licensee's market area a notice to such effect. Each of the above
15 named Respondents violated this statute on at least one occasion
16 as alleged above.
- 17 4. RSA 397-A:13,I provides that a licensee shall file its annual
18 report on or before February 1 each year concerning operations for
19 the preceding year or license period ending December 31. Each of
20 the above named Respondents violated this provision on at least
21 one occasion as alleged above. The maximum fine for this specific
22 violation has reached \$2,500.00 (\$25.00 per day; maximum
23 \$2,500.00) since no annual report was filed for 2007.
- 24 5. RSA 397-A:13,II provides that each licensee shall file a financial
25 statement within 90 days from the date of its fiscal year end.

1 Each of the above named Respondents violated this statute on at
2 least one occasion as alleged above. The maximum fine has accrued
3 to \$2,500.00 as calculated by RSA 397-A:13,IV below.

4 6. RSA 397-A:13,IV provides that any mortgage banker or mortgage
5 broker failing to file either the annual report or the financial
6 statement required by RSA Chapter 397-A within the time prescribed
7 may be required to pay to the Department a penalty of \$25.00 for
8 each calendar day the annual report or financial statement is
9 overdue, up to a maximum penalty of \$2,500.00 per report or
10 statement.

11 7. RSA 397-A:13,VI provides that any officer, owner, manager or agent
12 of any licensee shall reply promptly in writing, or other
13 designated form, to any written inquiry from the Department.
14 Respondents Zaurova has violated this provision on at least two
15 (2) occasions as alleged above.

16 8. RSA 397-A:17,I provides in part that the Commissioner may by
17 order, upon due notice and opportunity for hearing, assess
18 penalties or deny, suspend, or revoke a license or application if
19 it is in the public interest and the applicant, respondent, or
20 licensee, any partner, officer, member, or director, any person
21 occupying a similar status or performing similar functions, or any
22 person directly or indirectly controlling the applicant,
23 respondent, or licensee: (a) has violated any provision of RSA
24 Chapter 397-A or rules thereunder, or (b) has not met the
25 standards established in RSA Chapter 397-A.

1 9. RSA 397-A:18,I provides that the Department may issue a complaint
2 setting forth charges whenever the Department is of the opinion
3 that the licensee or person over whom the Department has
4 jurisdiction, has violated any provision of RSA Chapter 397-A or
5 orders thereunder.

6 10. RSA 397-A:21,IV provides that any person who, either knowingly or
7 negligently, violates any provision of RSA Chapter 397-A, may
8 upon hearing, and in addition to any other penalty provided for
9 by law, be subject to an administrative fine not to exceed
10 \$2,500.00, or both. Each of the acts specified shall constitute
11 a separate violation, and such administrative action or fine may
12 be imposed in addition to any criminal penalties or civil
13 liabilities imposed by New Hampshire Banking laws.

14 11. RSA 397-A:21,V provides that every person who directly or
15 indirectly controls a person liable under this section, every
16 partner, principal executive officer or director of such person,
17 every person occupying a similar status or performing a similar
18 function, every employee of such person who materially aids in the
19 act constituting the violation, and every licensee or person acting
20 as a common law agent who materially aids in the acts constituting
21 the violation, either knowingly or negligently, may, upon notice
22 and opportunity for hearing, and in addition to any other penalty
23 provided for by law, be subject to suspension, revocation, or
24 denial of any registration or license, including the forfeiture of
25 any application fee, or the imposition of an administrative fine

1 not to exceed \$2,500, or both. Each of the acts specified shall
2 constitute a separate violation, and such administrative action or
3 fine may be imposed in addition to any criminal or civil penalties
4 imposed.

5 **III. RELIEF REQUESTED**

6 The staff of the Department requests the Commissioner take the following
7 action:

- 8 1. Find as fact the allegations contained in section I of this Staff
9 Petition;
- 10 2. Make conclusions of law relative to the allegations contained in
11 section II of this Staff Petition;
- 12 3. Pursuant to RSA 397-A:17, order each of the above named
13 Respondents to show cause why their license should not be revoked;
- 14 4. Assess fines and administrative penalties in accordance with RSA
15 397-A:21, for violations of RSA Chapter 397-A, in the number and
16 amount equal to the violations set forth in section II of this
17 Staff Petition; and
- 18 5. Take such other administrative and legal actions as necessary for
19 enforcement of the New Hampshire Banking Laws, the protection of
20 New Hampshire citizens, and to provide other equitable relief.

21 **IV. RIGHT TO AMEND**

22 The Department reserves the right to amend this Staff Petition and to
23 request that the Commissioner take additional administrative action.
24 Nothing herein shall preclude the Department from bringing additional
25 enforcement action under RSA Chapter 397-A or the regulations thereunder.

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Respectfully submitted by:

 /s/
Maryam Torben Desfosses
Hearings Examiner

 03/01/10
Date