

1 State of New Hampshire Banking Department

2 In re the Matter of: ) Case No.: 08-103  
 )  
 3 State of New Hampshire Banking )  
 4 Department, ) Order to Show Cause  
 )  
 5 Petitioner, )  
 )  
 6 and )  
 )  
 7 Lighthouse Lending Group, Inc., and )  
 )  
 8 Nicholas C. Rauseo, )  
 )  
 9 Respondents )

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10 NOTICE OF ORDER

11 This Order commences an adjudicative proceeding under the provisions  
12 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 the Respondent fails  
22 to appear at the hearing after being duly notified, such person shall be  
23 deemed in default, and the proceeding may be determined against the Respondent  
24 upon consideration of the Order to Show Cause, the allegations of which may be  
25 deemed to be true.



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

3 4. The above named Respondent shall show cause why, in addition  
4 to the penalties listed in Paragraphs 1 through 3 above, the  
5 \$500.00 examination fee should not be paid to the Department;

6 5. The above named Respondents shall be jointly and severally  
7 liable for the above amounts alleged in Paragraphs 1 through  
8 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 Lending's license should not be  
12 revoked.

13 It is hereby further ORDERED that:

14 7. Along with the administrative penalties listed for the above  
15 named Respondents, the outstanding sum of \$3,000.00 shall be  
16 immediately paid; and

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

21  
22 SIGNED,

23  
24 Dated: 07/08/09

25 /s/  
PETER C. HILDRETH  
BANK COMMISSIONER

1 State of New Hampshire Banking Department

2 In re the Matter of: ) Case No.: 08-103  
 )  
 3 State of New Hampshire Banking )  
 )  
 4 Department, ) Staff Petition  
 )  
 5 Petitioner, ) July 8, 2009  
 )  
 6 and )  
 )  
 7 Lighthouse Lending Group, Inc., and )  
 )  
 8 Nicholas C. Rauseo, )  
 )  
 9 Respondents )

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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 Lending Group, Inc. (hereinafter  
15 "Respondent Lighthouse Lending") was licensed as a Mortgage  
16 Broker from at least March 24, 2005 until its license expired on  
17 December 31, 2007.
- 18 2. Respondent Nicholas C. Rauseo (hereinafter "Respondent Rauseo")  
19 was the President of Respondent Lighthouse Lending, when licensed  
20 by the Department.

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

- 22 3. Paragraphs 1 through 2 are hereby realleged as fully set forth  
23 herein.
- 24 4. The 2007 Annual Report was due the latest on or before February 1,  
25 2008.

1 5. On January 4, 2008, the Department mailed a certified letter  
2 stating that Respondent Lighthouse Lending's license had expired.

3 6. On February 5, 2008, the Department mailed a certified letter  
4 stating that the 2007 annual report was due on February 1, 2008.

5 7. On February 11, 2008, the post office returned the February 5,  
6 2008 letter to the Department with a new forwarding address. The  
7 Department subsequently mailed the letter to the new forwarding  
8 address.

9 8. On March 14, 2008, the post office returned the January 2008  
10 letter regarding license expiration to the Department.

11 9. On March 17, 2008, the Department received the February 2008  
12 certified letter from the post office, returned as "unclaimed".

13 10. To date, the Department has not received the 2007 annual report.

14 11. To date, the accrued penalty for failure to file an annual report  
15 has reached the maximum cap of \$2,500.00 (\$25.00 per day; maximum  
16 \$2,500.00).

17 **Violation of RSA 397-A:12,V Failure to Pay Examination Fee (1 Count):**

18 12. Paragraphs 1 through 11 are hereby realleged as fully set forth  
19 herein.

20 13. The Department conducted an examination of Respondent Lighthouse  
21 Lending on January 7, 2008, for activities that occurred while  
22 Respondent Lighthouse Lending was still licensed with the  
23 Department.

24 14. Since the Respondents failed to facilitate the examination (notice  
25 of exam sent on December 17, 2007), on July 22, 2008, the

1 Department mailed the invoice for \$500.00 to Respondent  
2 Lighthouse Lending, via U.S. Certified Mail Return Receipt  
3 requested, which the post office returned to the Department on  
4 August 18, 2008.

5 15. The Department, via U.S. mail, mailed a second notice on August  
6 26, 2008 and a third notice on October 9, 2008.

7 16. Respondent Lighthouse Lending did not respond to any of the  
8 notices for payment of the \$500.00 invoice.

9 17. To date, Respondent Lighthouse Lending still owes the \$500.00  
10 examination fee for the one day examination.

11 **Violation of RSA 397-A:12, VII Failure to Facilitate Exam (1 Count):**

12 **Violation of RSA 397-A:12, III Examinations: Failure to Provide Requested**

13 **Files (1 Count):**

14 18. Paragraphs 1 through 17 are hereby realleged as fully set forth  
15 herein.

16 19. The Department was scheduled to conduct an examination of  
17 Respondent Lighthouse Lending on January 7, 2008, for activities  
18 that occurred while Respondent Lighthouse Lending was still  
19 licensed with the Department.

20 20. On December 17, 2007, the Department sent the notice of  
21 examination to Respondent Lighthouse Lending via U.S. Certified  
22 Mail Return Receipt requested, which was lost by the United  
23 States Postal Service.

24 21. On March 10, 2008, the Department sent the notice of examination  
25 to Respondent Lighthouse Lending via U.S. Certified Mail Return

1 Receipt requested, which the post office returned to the  
2 Department as "unclaimed" on April 4, 2008.

3 22. On April 7, 2008, the Department sent the notice of examination to  
4 Respondent Lighthouse Lending via UPS. Delivery was attempted on  
5 April 18, 2008, but was unsuccessful. The Respondents are unable  
6 to be reached.

7 **II. ISSUES OF LAW**

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

9 1. The Department realleges the above stated facts in Paragraphs 1  
10 through 22 as fully set forth herein.

11 2. The Department has jurisdiction over the licensing and regulation  
12 of persons engaged in mortgage banker or broker activities  
13 pursuant to NH RSA 397-A:2 and RSA 397-A:3.

14 3. RSA 397-A:12,III requires licensees to comply with examination  
15 requests with or without prior notice. All books, papers, files,  
16 related material, and records of assets shall be subject to the  
17 Department's examination. Each of the above named Respondents  
18 violated this statute on at least one occasion as alleged above.

19 4. RSA 397-A:12,V provides that the expense of such examination shall  
20 be chargeable to and paid by the licensee. Each of the above  
21 named Respondents violated this provision on at least one  
22 occasion as alleged above. To date, the above named Respondents  
23 have failed to pay the \$500.00 examination invoice.

24 5. RSA 397-A:12,VII provides that every person being examined, and  
25 all of the officers, directors, employees, agents, and



1 representatives of such person shall make freely available to the  
2 Commissioner or his or her examiners, the accounts, records,  
3 documents, files, information, assets, and matters in their  
4 possession or control relating to the subject of the examination  
5 and shall facilitate the examination. Each of the above named  
6 Respondents violated this statute on at least one occasion as  
7 alleged above.

8 6. RSA 397-A:13,I provides that a licensee shall file its annual  
9 report on or before February 1 each year concerning operations  
10 for the preceding year or license period ending December 31.  
11 Each of the above named Respondents violated this provision on at  
12 least one occasion as alleged above. The fine has accrued to  
13 \$2,500.00 as calculated pursuant to RSA 397-A:13,IV below.

14 7. RSA 397-A:13,IV provides that any mortgage banker or broker  
15 failing to file the annual report or financial statement within  
16 the time prescribed may be required to pay to the Department a  
17 penalty of \$25.00 per calendar day for each day the annual report  
18 is overdue, for a maximum of \$2,500.00. Each of the above named  
19 Respondents failed to file the annual report, which has accrued  
20 the maximum of \$2,500.00.

21 8. RSA 397-A:17,I provides in part that the Commissioner may by  
22 order, upon due notice and opportunity for hearing, assess  
23 penalties or deny, suspend, or revoke a license or application if  
24 it is in the public interest and the applicant, respondent, or  
25 licensee, any partner, officer, member, or director, any person

1 occupying a similar status or performing similar functions, or  
2 any person directly or indirectly controlling the applicant,  
3 respondent, or licensee: (a) has violated any provision of RSA  
4 Chapter 397-A or rules thereunder, or (b) has not met the  
5 standards established in RSA Chapter 397-A.

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

11 10. RSA 397-A:21,IV provides that any person who, either knowingly or  
12 negligently, violates any provision of RSA Chapter 397-A, may  
13 upon hearing, and in addition to any other penalty provided for  
14 by law, be subject to an administrative fine not to exceed  
15 \$2,500.00, or both. Each of the acts specified shall constitute  
16 a separate violation, and such administrative action or fine may  
17 be imposed in addition to any criminal penalties or civil  
18 liabilities imposed by New Hampshire Banking laws.

19 11. RSA 397-A:21,V provides that every person who directly or  
20 indirectly controls a person liable under this section, every  
21 partner, principal executive officer or director of such person,  
22 every person occupying a similar status or performing a similar  
23 function, every employee of such person who materially aids in the  
24 act constituting the violation, and every licensee or person acting  
25 as a common law agent who materially aids in the acts constituting

1 the violation, either knowingly or negligently, may, upon notice  
2 and opportunity for hearing, and in addition to any other penalty  
3 provided for by law, be subject to suspension, revocation, or  
4 denial of any registration or license, including the forfeiture of  
5 any application fee, or the imposition of an administrative fine  
6 not to exceed \$2,500, or both. Each of the acts specified shall  
7 constitute a separate violation, and such administrative action or  
8 fine may be imposed in addition to any criminal or civil penalties  
9 imposed.

10 **III. RELIEF REQUESTED**

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

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

