

1 State of New Hampshire Banking Department

2 In re the Matter of: ) Case No.: 08-118  
 )  
 3 State of New Hampshire Banking )  
 )  
 4 Department, ) Order to Show Cause  
 )  
 5 Petitioner, )  
 )  
 6 and )  
 )  
 7 LightStar Mortgage LLC, and Basilo )  
 )  
 8 Colon, )  
 )  
 9 Respondents )

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10 NOTICE OF ORDER

11 This Order commences an adjudicative proceeding under the provisions  
12 of RSA 397-A and RSA 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, 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 358-A and  
7 exempt under RSA 358-A:3,I or that may violate any of the provisions of  
8 Titles XXXV and XXXVI and administrative rules adopted thereunder. The  
9 Commissioner may hold hearings relative to such conduct and may order  
10 restitution for a person or persons adversely affected by such conduct. The  
11 Commissioner may utilize all remedies available under the Consumer  
12 Protection Act.

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

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

1 deemed to be true.

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

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

9 The Staff Petition dated January 13, 2009 (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 LightStar Mortgage LLC ("Respondent LightStar  
19 Mortgage") shall show cause why penalties in the amount of  
20 \$5,000.00 should not be imposed against it;
- 21 2. Respondent Basilo Colon ("Respondent Colon") shall show cause  
22 why penalties in the amount of \$7,500.00 should not be  
23 imposed against him;
- 24 3. The above named Respondents shall show cause why, in addition  
25 to the penalties listed in Paragraphs 1 through 2 above,



1 State of New Hampshire Banking Department

2 In re the Matter of: ) Case No.: 08-118  
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 3 State of New Hampshire Banking )  
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 4 Department, ) Staff Petition  
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 5 Petitioner, ) January 13, 2009  
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 6 and )  
 )  
 7 LightStar Mortgage LLC, and Basilo )  
 )  
 8 Colon, )  
 )  
 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 LightStar Mortgage LLC (hereinafter "LightStar  
15 Mortgage") was licensed as a Mortgage Broker from at least March  
16 28, 2006 (with an amended license date of September 30, 2007)  
17 until it surrendered its license on November 30, 2007.
- 18 2. Respondent Basilo Colon (hereinafter "Respondent Colon") was the  
19 100% owner and member of Respondent LightStar Mortgage, when  
20 licensed by the Department.

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

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

23 Department Inquiries (1 Count):

- 24 3. Paragraphs 1 through 2 are hereby realleged as fully set forth  
25 herein.

1 4. The Department conducted an examination of Respondent LightStar  
2 Mortgage on April 2, 2007, while Respondent LightStar Mortgage  
3 was still licensed with the Department.

4 5. On December 16, 2007, the Department mailed the report of  
5 examination and invoice for \$3,135.00 to Respondent LightStar  
6 Mortgage, via U.S. Certified Mail Return Receipt requested, which  
7 Respondents received on December 29, 2007.

8 6. The above named Respondents failed to respond to the December 16,  
9 2007 correspondence from the Department.

10 7. The Department mailed a second notice on December 19, 2007 and a  
11 third notice on February 5, 2008.

12 8. The above named Respondents did not respond to any of the three  
13 notices for payment of the \$3,135.00 invoice.

14 9. To date, the above named Respondents still owe the \$3,135.00  
15 examination fee for the one day examination.

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

17 10. Paragraphs 1 through 9 are hereby realleged as fully set forth  
18 herein.

19 11. Respondent LightStar Mortgage was licensed in 2007, and thus  
20 subject to the filing of a 2007 annual report with the  
21 Department.

22 12. The 2007 annual report was due on or before February 1, 2008.

23 13. On November 30, 2007, the Department received Respondent  
24 LightStar Mortgage's surrender form and original license but not  
25 the 2007 annual report.

1 14. The Department sent a letter requesting the 2007 annual report.

2 15. On February 5, 2008, the Department mailed a reminder letter  
3 that the annual report was due on February 1, 2008.

4 16. On February 11, 2008, the Department sent a certified letter  
5 requesting the 2007 annual report. The letter was returned as  
6 unclaimed and unable to forward.

7 17. To date, Respondent LightStar Mortgage has failed to file the  
8 2007 annual report.

9 18. To date, the penalty for failing to file an annual report has  
10 accrued to the cap of \$2,500.00.

11 **II. ISSUES OF LAW**

12 The staff of the Department, alleges the following issues of law:

13 1. The Department realleges the above stated facts in Paragraphs 1  
14 through 18 as fully set forth herein.

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

18 3. RSA 397-A:12,V provides that the expense of such examination shall  
19 be chargeable to and paid by the licensee. Each of the above  
20 named Respondents violated this provision on at least one  
21 occasion as alleged above. To date, the above named Respondents  
22 have failed to pay the \$3,135.00 examination invoice.

23 4. RSA 397-A:13,I provides that a licensee shall file its annual  
24 report on or before February 1 each year concerning operations  
25 for the preceding year or license period ending December 31.

1 Each of the above named Respondents violated this provision on at  
2 least one occasion as alleged above. As calculated by RSA 397-  
3 A:13,IV, the above named Respondents reached the maximum  
4 statutory cap of \$2,500.00 for failing to file the 2007 annual  
5 report.

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

13 6. RSA 397-A:13,VI provides that any officer, owner, manager or agent  
14 of any licensee shall reply promptly in writing, or other  
15 designated form, to any written inquiry from the Department.  
16 Respondent Colon violated this provision on at least one occasion  
17 as alleged above.

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

23 8. RSA 397-A:21,IV provides that any person who, either knowingly or  
24 negligently, violates any provision of Chapter 397-A, may upon  
25 hearing, and in addition to any other penalty provided for by

1 law, be subject to an administrative fine not to exceed  
2 \$2,500.00, or both. Each of the acts specified shall constitute  
3 a separate violation, and such administrative action or fine may  
4 be imposed in addition to any criminal penalties or civil  
5 liabilities imposed by New Hampshire Banking laws.

6 9. RSA 397-A:21,V provides that every person who directly or  
7 indirectly controls a person liable under this section, every  
8 partner, principal executive officer or director of such person,  
9 every person occupying a similar status or performing a similar  
10 function, every employee of such person who materially aids in the  
11 act constituting the violation, and every licensee or person acting  
12 as a common law agent who materially aids in the acts constituting  
13 the violation, either knowingly or negligently, may, upon notice  
14 and opportunity for hearing, and in addition to any other penalty  
15 provided for by law, be subject to suspension, revocation, or  
16 denial of any registration or license, including the forfeiture of  
17 any application fee, or the imposition of an administrative fine  
18 not to exceed \$2,500, or both. Each of the acts specified shall  
19 constitute a separate violation, and such administrative action or  
20 fine may be imposed in addition to any criminal or civil penalties  
21 imposed.

22 **III. RELIEF REQUESTED**

23 The staff of the Department requests the Commissioner take the following  
24 action:

- 25 1. Find as fact the allegations contained in section I of this Staff

