

1 State of New Hampshire Banking Department

2 In re the Matter of: ) Case No.: 08-291  
 )  
 3 State of New Hampshire Banking )  
 )  
 4 Department, ) AMENDED  
 ) Order to Show Cause with Immediate  
 5 Petitioner, ) Suspension and Cease and Desist Order  
 )  
 6 and )  
 ) Consent Order  
 7 American Heritage Mortgage Corp, and )  
 )  
 8 Thomas A. Lantry, )  
 )  
 9 Respondents )  
 )

10 CONSENT ORDER

11 I. For purposes of settling the above-referenced matter, the New  
12 Hampshire Banking Department (hereinafter referred to as "the  
13 Department"), Respondent American Heritage Mortgage Corp ("Respondent  
14 American Heritage") and Respondent Thomas A. Lantry ("Respondent  
15 Lantry") (hereinafter collectively referred to as "Respondents") do  
16 hereby enter this Agreement and stipulate to the following:

- 17 1. The term "this action" shall refer to the Department's February  
18 23, 2009 Staff Petition.
- 19 2. Respondent American Heritage was licensed as a Mortgage Banker  
20 with the Department since at least 1997.
- 21 3. Respondent Lantry is currently 100% owner, President and  
22 principal of Respondent American Heritage, as that term is  
23 defined in RSA 397-A.
- 24 4. The above named Respondents aver that documents were  
25 manipulated in order to comply with New Hampshire banking laws.

1           5. The above named Respondents further maintain that no consumer  
2           was harmed by the document manipulation and no monies are due  
3           any such consumers.

4 II. For purposes of amicably resolving and closing the above-referenced  
5 matter, the above named Respondents agree to the following terms and  
6 conditions and the Department accepts the same:

7           1. The above named Respondents agree that they have voluntarily  
8           entered into this Consent Order without reliance upon any  
9           discussions between the Department and Respondents, without  
10          promise of a benefit of any kind (other than concessions  
11          contained in this Consent Order), and without threats, force,  
12          intimidation, or coercion of any kind. Respondents further  
13          acknowledge their understanding of the nature of the offenses  
14          alleged in this action, including the penalties provided by  
15          law.

16          2. Respondents agree to waive any and all rights to a hearing and  
17          appeal regarding the allegations set forth in this action.

18          3. Respondents agree that all terms of this Consent Order are  
19          contractual and none is a mere recital.

20          4. Respondent American Heritage represents and warrants that it  
21          has all the necessary rights, powers and ability to carry out  
22          all of the terms of this Consent Order which are applicable to  
23          Respondent American Heritage.

24          5. Respondent Lantry represents and warrants that he has all the  
25          necessary rights, powers and ability to carry out all of the

1 terms of this Consent Order which are applicable to Respondent  
2 Lantry.

3 6. Respondents represent and warrant that they can accomplish the  
4 full relief contemplated and required herein and that all  
5 parents, subsidiaries, affiliates, and successors necessary to  
6 effectuate the full relief contemplated by this Consent Order  
7 are parties to this Consent Order.

8 7. Respondents represent and warrant that they have obtained all  
9 third-party approvals necessary to comply with the Consent  
10 Order.

11 8. Respondents acknowledge that the Department is relying upon the  
12 representations and warranties of Respondents, stated herein,  
13 in making its determination in this matter.

14 9. Respondents agree they are each jointly and severally subject  
15 to potential administrative penalties of \$187,500.00 and  
16 license revocation as a result of the allegations stated in  
17 this action.

18 10. The Department agrees to accept monies in lieu thereof from  
19 Respondents as follows:

20 a. \$28,000.00 shall be suspended from the date of the  
21 first day of the outside, independent audit, and the  
22 Department shall not require the payment of the \$28,000.00  
23 as long as no evidence of fraud or fraudulent activity is  
24 discovered within the next two years (beginning from the  
25 date of the first day of the outside, independent audit).

1 (1). If the Department receives evidence of fraud  
2 or fraudulent activity, then Respondents shall not  
3 only be responsible to pay the \$28,000.00 suspended  
4 portion of the fine but may also be subject to  
5 further administrative penalties and revocation; and  
6 b. \$12,000.00 of which shall be paid by Respondents to the  
7 Department as follows:

8 (1). \$500.00 to be paid contemporaneously with the  
9 execution of this Consent Order; and

10 (2). \$500.00 every month beginning May 1, 2009,  
11 until fully paid. Such payments shall be due on the  
12 first (1<sup>st</sup>) of every month. If 2 (two) consecutive  
13 payments are late, missed, or Respondents' payments  
14 otherwise become delinquent, the Department may  
15 issue an Order of Default and/or an Order to Show  
16 Cause on such default.

17 11. Respondents acknowledge that the penalties above are in  
18 addition to the examination fee yet to be billed by the  
19 Department.

20 12. The Department shall reinstate Respondents' New Hampshire  
21 Banking Department license contemporaneously with the execution  
22 of this Consent Order and first payment of \$500.00.

23 13. Within sixty (60) days of the effective date of this Consent  
24 Order, Respondents shall engage an independent auditing firm  
25 ("Auditing Firm") to conduct an onsite review of all New

1 Hampshire mortgage loan files processed or held by Respondents  
2 from January 1, 2007 through the date the Auditing Firm begins  
3 its review. Such audit shall exclude loan files thoroughly  
4 examined by Department examiners, as evidenced by the  
5 Department's Report of Examination. Respondents shall obtain the  
6 prior written approval of the Bank Commissioner of the Auditing  
7 Firm proposed by Respondents before the Auditing Firm is hired.  
8 The Auditing Firm's review shall begin no later than 90 (ninety)  
9 days after the effective date of this Consent Order.

10 14. The goal of the Auditing Firm's review of Respondents' books  
11 and records is to review Respondents' mortgage banking activity  
12 in New Hampshire, including but not limited to, Respondents'  
13 activities and practices relating to: application completion  
14 procedures; verification and due diligence procedures; privacy  
15 policies and practices; compliance with Gramm-Leach-Bliley;  
16 compliance with state and federal law on recordkeeping and  
17 safeguarding customer and consumer information; compliance with  
18 providing complete, proper, and timely disclosures to  
19 Respondents' consumers; and the presence of fraud or fraudulent  
20 activity.

21 15. The Auditing Firm shall prepare and submit a draft written  
22 report to the Bank Commissioner within 60 (sixty) days of the  
23 commencement of the audit. The Department shall have 30  
24 (thirty) days to provide comments to the Auditing Firm. The  
25 Auditing Firm shall submit to the Bank Commissioner and

1 Respondents a final report within 30 (thirty) days of receipt of  
2 Respondents' and the Departments' comments. All draft and final  
3 written reports by the Auditing Firm shall be confidential  
4 pursuant to RSA 383:10-b "Confidential Information".

5 16. The provisions of this Consent Order shall not limit, estop, or  
6 otherwise prevent the Department, or any federal or state  
7 agency or department, from taking any other action affecting  
8 the remaining Respondents.

9 17. Failure to comply with the terms of this Consent Order shall  
10 result in imposition of further administrative penalties and  
11 possible criminal liability.

12 18. This Consent Order shall become effective immediately upon the  
13 date of its issuance.

14 19. The provisions of this Consent Order shall remain effective and  
15 enforceable except to the extent that, and until such time as,  
16 any provisions of this Consent Order shall have been modified,  
17 terminated, suspended, or set aside by the Bank Commissioner or  
18 upon an order of a court of competent jurisdiction.

19 This Consent Order represents the resolution of and discharge of any basis  
20 for any civil or administrative proceeding by the Department against the  
21 above named Respondents for violations arising as a result of or in  
22 connection with any actions or omissions by the above named Respondents  
23 through the date of this Consent Order as it applies to the allegations in  
24 this action; provided, however, this release does not apply to facts not  
25 known by the Department or not otherwise provided by the above named

1 Respondents to the Department as of the date of this Consent Order nor to  
2 actions for restitution under RSA 383:10-d, or any possible actions related  
3 to the examination just completed. Such facts would include, but not be  
4 limited to, any consumer harm from the actions of the above named  
5 Respondents. The Department expressly reserves its right to pursue any  
6 administrative, civil or criminal action or remedy available to it should  
7 the above named Respondents breach this Consent Order or in the future  
8 violate the Act or rules and orders promulgated thereunder.

9  
10 **WHEREFORE**, based on the foregoing, we have set our hands to this Agreement,  
11 with it taking effect upon the signature of Peter C. Hildreth, Bank  
12 Commissioner.

13 Recommended this 10th day of March, 2009 by

14 \_\_\_\_\_  
/s/

15 Maryam Torben Desfosses, Hearings Examiner, Banking Department

16 Executed this 10th day of March, 2009 by

17 \_\_\_\_\_  
/s/

18 Thomas A. Lantry, for Respondents American Heritage Mortgage Corp and Thomas  
19 A. Lantry

20  
21 **SO ORDERED,**

22 Entered this 10th day of March, 2009.

23 \_\_\_\_\_  
/s/

24 Peter C. Hildreth,  
25 Bank Commissioner