

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 08-340
)
 3 State of New Hampshire Banking)
)
 4 Department,) Order to Show Cause
)
 5 Petitioner,)
)
 6 and)
)
 7 Bridge Capital Corporation, and Mike R.)
)
 8 Ahmari,)
)
 9 Respondents)

10 NOTICE OF ORDER

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 Commissioner of the New Hampshire
15 Banking Department (hereinafter the "Department") has the authority to issue
16 an order to show cause why license revocation and penalties for violations
17 of New Hampshire Banking laws should not be imposed.

18 Pursuant to RSA 397-A:18,I 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 June 15, 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 Bridge Capital Corporation ("Respondent Bridge
19 Capital") shall show cause why penalties in the amount of
20 \$5,000.00 should not be imposed against it;
- 21 2. Respondent Mike R. Ahmari ("Respondent Ahmari") shall show
22 cause 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, the

1 State of New Hampshire Banking Department

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 7 Bridge Capital Corporation, and Mike R.)
)
 8 Ahmari,)
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 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 Bridge Capital Corporation (hereinafter "Respondent
15 Bridge Capital") was licensed as a Mortgage Banker from at least
16 2000 (with an amended license date of February 8, 2007) until it
17 surrendered its license on July 3, 2007.

18 2. Respondent Mike R. Ahmari (hereinafter "Respondent Ahmari") was
19 the majority shareholder and Chief Executive Officer of
20 Respondent Bridge Capital, when 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 Bridge
2 Capital on August 20, 2007, for activities that occurred while
3 Respondent Bridge Capital was licensed with the Department.

4 5. On November 26, 2007, the Department mailed the invoice for
5 \$500.00 to Respondent Bridge Capital, via U.S. Certified Mail
6 Return Receipt requested, which Respondents received on November
7 29, 2007.

8 6. The above named Respondents failed to respond to the November 26,
9 2007 correspondence from the Department.

10 7. The Department, via U.S. mail, mailed a second notice on January
11 3, 2008 and a 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 \$500.00 invoice.

14 9. To date, the above named Respondents still owe the \$500.00
15 examination fee for the one day examination.

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

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

19 10. Paragraphs 1 through 9 are hereby realleged as fully set forth
20 herein.

21 11. Respondent Bridge Capital was licensed in 2007, and thus subject
22 to the filing of a 2007 annual report with the Department.

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

24 13. On August 22, 2007, the Department mailed Respondent Bridge
25 Capital, via U.S. Certified Mail Return Receipt requested, a

1 letter reminding it to submit surrender documents, including the
2 annual report.

3 14. On January 10, 2008, the Department emailed Respondent Bridge
4 Capital regarding the annual report. The email came back as
5 undeliverable on January 12, 2008.

6 15. On February 5, 2008, the Department mailed a reminder letter that
7 the annual report was due on February 1, 2008, which the
8 Respondents received on February 14, 2008.

9 16. To date, Respondent Bridge Capital has failed to file the 2007
10 annual report.

11 17. To date, the penalty for failing to file an annual report has
12 accrued to the cap of \$2,500.00 (\$25.00 per day; maximum
13 \$2,500.00).

14 **II. ISSUES OF LAW**

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

16 1. The Department realleges the above stated facts in Paragraphs 1
17 through 17 as fully set forth herein.

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

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

1 4. RSA 397-A:13,I provides that a licensee shall file its annual
2 report on or before February 1 each year concerning operations
3 for the preceding year or license period ending December 31.
4 Each of the above named Respondents violated this provision on at
5 least one occasion as alleged above. As calculated by RSA 397-
6 A:13,IV, the above named Respondents reached the maximum
7 statutory cap of \$2,500.00 for failing to file the 2007 annual
8 report.

9 5. RSA 397-A:13,VI provides that any officer, owner, manager or
10 agent of any licensee shall reply promptly in writing, or other
11 designated form, to any written inquiry from the Department.
12 Respondent Ahmari violated this provision on at least two
13 occasions as alleged above.

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

24 7. RSA 397-A:18,I provides that the Department may issue a complaint
25 setting forth charges whenever the Department is of the opinion

1 that the licensee or person over whom the Department has
2 jurisdiction, has violated any provision of RSA Chapter 397-A or
3 orders thereunder.

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

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

1 administrative action or fine may be imposed in addition to any
2 criminal or civil penalties imposed.

3 **III. RELIEF REQUESTED**

4 The staff of the Department requests the Commissioner take the following
5 action:

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

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