

1 State of New Hampshire Banking Department

)Case No.: 09-038

2 In re the Matter of:

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3 State of New Hampshire Banking

)

)Order to Show Cause

4 Department,

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5 Petitioner,

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)

6 and

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7 Lentegra Mortgage Group, LLC (d/b/a

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8 Lentegra Mortgage), Lentegra

)

)

9 Corporation, William S. Lane, and

)

)

10 Joseph D. Germano,

)

)

11 Respondents

)

12 NOTICE OF ORDER

13 This Order commences an adjudicative proceeding under the provisions
14 of RSA 397-A and RSA 541-A.

15 LEGAL AUTHORITY AND JURISDICTION

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

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

25 Pursuant to RSA 397-A:20, the Commissioner may issue, amend, or

1 rescind such orders as are reasonably necessary to comply with the
2 provisions of the Chapter.

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

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

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 a formal written and
4 executed settlement with the Department within that time frame, then such
5 person shall likewise be deemed in default, and the orders shall, on the
6 thirty-first day, become permanent, and shall remain in full force and effect
7 until and unless later modified or vacated by the Commissioner, for good cause
8 shown.

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

10 The Staff Petition dated June 26, 2009 (a copy of which is attached
11 hereto) is incorporated by reference hereto.

12 **ORDER**

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

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

18 It is hereby ORDERED, that:

- 19 1. Respondent Lentegra Mortgage Group, LLC (d/b/a Lentegra
20 Mortgage) ("Respondent Lentegra Mortgage") shall show cause
21 why penalties in the amount of \$2,500.00 should not be
22 imposed against it;
- 23 2. Respondent Lentegra Corporation ("Respondent Lentegra
24 Corporation") shall show cause why penalties in the amount of
25 \$5,000.00 should not be imposed against it;

1 3. Respondent William S. Lane ("Respondent Lane") shall show
2 cause why penalties in the amount of \$5,000.00 should not be
3 imposed against him;

4 4. Respondent Joseph D. Germano ("Respondent Germano") shall
5 show cause why penalties in the amount of \$5,000.00 should
6 not be imposed against him;

7 5. The above named Respondents shall show cause why, in addition
8 to the penalties listed in Paragraphs 1 through 4 above, the
9 \$2,100.00 examination fee should not be paid to the
10 Department;

11 6. Respondents shall be jointly and severally liable for the
12 above amounts alleged in Paragraphs 1 through 5 above;

13 7. The above named Respondents shall show cause why, in addition
14 to the penalties listed in Paragraphs 1 through 6 above,
15 Respondent Lentegra Mortgage's license should not be revoked.

16 It is hereby further ORDERED that:

17 8. Along with the administrative penalties listed for the above
18 named Respondents, the outstanding sum of \$2,100.00 shall be
19 immediately paid; and

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21
22
23 [REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 09-038
3 State of New Hampshire Banking)
4 Department,) Staff Petition
5 Petitioner,) June 26, 2009
6 and)
7 Lentegra Mortgage Group, LLC (d/b/a)
8 Lentegra Mortgage), Lentegra)
9 Corporation, William S. Lane, and)
10 Joseph D. Germano,)
11 Respondents)

12 I. STATEMENT OF ALLEGATIONS

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

15 Facts Common on All Counts:

- 16 1. Respondent Lentegra Mortgage Group, LLC (d/b/a Lentegra
17 Mortgage) (hereinafter "Respondent Lentegra Mortgage") was
18 licensed as a Mortgage Banker from at least August 26, 2005
19 until its license expired on December 31, 2008.
- 20 2. Respondent Lentegra Corporation (hereinafter "Respondent
21 Lentegra Corporation") was the 100% owner and parent company of
22 Respondent Lentegra Mortgage, when licensed by the Department.
- 23 3. Respondent William S. Lane (hereinafter "Respondent Lane") was
24 the Manager of Respondent Lentegra Mortgage, when licensed by
25 the Department.

1 4. Respondent Joseph D. Germano (hereinafter "Respondent Germano")
2 was the owner of and control person for Respondent Lentegra
3 Mortgage, when licensed by the Department.

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

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

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

9 6. The Department conducted an examination of Respondent Lentegra
10 Mortgage on February 4, 2008, while Respondent Lentegra Mortgage
11 was still licensed with the Department.

12 7. On December 8, 2008, the Department mailed the report of
13 examination and invoice for \$2,100.00 to Respondent Lentegra
14 Mortgage, via U.S. Certified Mail Return Receipt requested, which
15 Respondents received on December 10, 2008.

16 8. The above named Respondents failed to respond to the December 8,
17 2008 correspondence from the Department.

18 9. The Department, via U.S. mail, mailed a second notice on January
19 20, 2009 and a third notice on February 20, 2009.

20 10. The above named Respondents did not respond to any of the three
21 notices for payment of the \$2,100.00 invoice.

22 11. To date, the above named Respondents still owe the \$2,100.00
23 examination fee for the 4.2 day examination.

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 11 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:12,V provides that the expense of such examination shall
9 be chargeable to and paid by the licensee. Each of the above
10 named Respondents violated this provision on at least one
11 occasion as alleged above. To date, the above named Respondents
12 have failed to pay the \$2,100.00 examination invoice.
- 13 4. 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 Lane and Respondent Germano each violated this
17 provision on at least one occasion as alleged above.
- 18 5. RSA 397-A:17,I provides in part that the Commissioner may by
19 order, upon due notice and opportunity for hearing, assess
20 penalties or deny, suspend, or revoke a license or application if
21 it is in the public interest and the applicant, respondent, or
22 licensee, any partner, officer, member, or director, any person
23 occupying a similar status or performing similar functions, or
24 any person directly or indirectly controlling the applicant,
25 respondent, or licensee: (a) has violated any provision of RSA

1 Chapter 397-A or rules thereunder, or (b) has not met the
2 standards established in RSA Chapter 397-A.

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

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

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

1 denial of any registration or license, including the forfeiture of
2 any application fee, or the imposition of an administrative fine
3 not to exceed \$2,500, or both. Each of the acts specified shall
4 constitute a separate violation, and such administrative action or
5 fine may be imposed in addition to any criminal or civil penalties
6 imposed.

7 **III. RELIEF REQUESTED**

8 The staff of the Department requests the Commissioner take the following
9 action:

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

