

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS



DEPARTMENT OF BUSINESS REGULATION
1511 PONTIAC AVENUE, BUILDING 68-2
CRANSTON, RI 02920
(401) 462-9503

IN THE MATTER OF
NATHAN M. RUSSO
NMLS ID # 21618
EMERGENCY ORDER UNDER R.I. GEN. LAWS § 42-35-14(c)
SUSPENDING MORTGAGE LOAN ORIGINATOR LICENSE

EMERGENCY ORDER NUMBER 10-090
SUSPENDING MORTGAGE LOAN ORIGINATOR LICENSE
AND NOTICE OF OPPORTUNITY FOR A HEARING

Pursuant to R.I. Gen. Laws §§ 19-14-1 *et seq.*, 19-14.10-1 *et seq.*, and 42-35-14(c), the Director (“Director”) of the Rhode Island Department of Business Regulation (“Department”) issues to Nathan Russo, NMLS ID # 21618 (“Respondent”) this Emergency Order (“Order”) Suspending Rhode Island Mortgage Loan Originator License Number 21618 (the “License”). This Order shall be effective upon issuance.

Upon receipt of a written request for a hearing on or before July 6, 2010, a hearing officer will be appointed by the Director and the matter will be set down for hearing. The Director will promptly notify the Respondent of the time and place for any hearing. If no hearing is requested and none is ordered by the Director, this Order shall become permanent on July 6, 2010 unless or until it is modified or vacated by the Director or the Director’s successor.

The Director makes the following findings of fact and conclusions of law with respect to entry of this Order:

1. Respondent is licensed as a mortgage loan originator pursuant to R.I. Gen. Laws §§ 19-14-1 *et seq.*, 19-14.10-1 *et seq.* On June 18, 2010, the Division of Banking (“Division”) of the Department obtained credible information that Nathan M. Russo, a principal owner, vice President and mortgage loan originator for Action Mortgage Corp., a Rhode Island licensed loan broker, was indicted on June 17, 2010 in a multi-million dollar mortgage fraud initiative.
2. The Department is unable to conclude that Respondent has demonstrated the character, reputation, integrity, and general fitness that would warrant the belief that the businesses will be operated honestly, fairly, and in the public interest in compliance with R. I. Gen. Laws §§ 19-14-7(a), and 19-14.10-6.
3. Respondent has not reported the indictment to the Department as required by R. I. Gen. Laws § 19-14-22(b).
4. The indictment of Respondent constitutes grounds for revocation of the License pursuant to R. I. Gen. Laws §§ 19-14-13(a), (3), (4), and (7) and 19-14.10-13(a)(1) and (a)(2).
5. It is necessary to take emergency action in order to protect consumers from the harm caused by Respondent’s irresponsibility, untrustworthiness, and complete disregard of statutory and regulatory mandates and to prevent further harm to persons who may be relying upon Respondent to effectuate future financial transactions. Therefore, the protection of the public welfare and the integrity of

the financial marketplace imperatively require emergency action pursuant to R. I. Gen. Laws § 42-35-14(c).

WHEREFORE, based on the foregoing, the Director finds that due to the seriousness of the violations attributed to Respondent in this Order, the public safety and welfare imperatively requires the issuance of this Order.

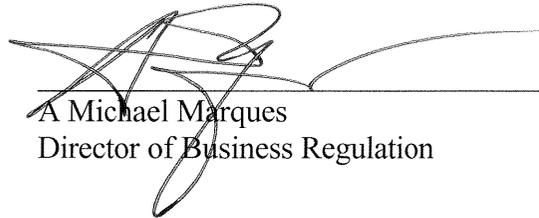
Accordingly, it is hereby ORDERED that Respondent:

1. Immediately cease and desist from the business of originating mortgage loans for a fee or other consideration.
2. On or before Wednesday, June 23, 2010 at four o'clock (4:00PM) file written confirmation that Respondent has immediately stopped conducting any mortgage loan origination activities for a fee or other consideration that is subject to licensing under R.I. Gen. Laws §§ 19-14-1 *et seq.* or 19-14.10-1 *et seq.*, as amended.
3. Upon receipt of this Order, in an orderly documented manner secure and transfer all existing applications and related files currently in process to a duly Rhode Island licensed Mortgage Loan Originator in good standing; provided however, that on or before Wednesday, June 23, 2010 at 4 o'clock (4:00 PM) Respondent shall notify the Department in writing of the name and address of a duly licensed Rhode Island Mortgage Loan Originator to whom Respondent proposes to transfer said files. For each application, Respondent shall delineate any and all fees, application fees, and/or other transactional fees. No transfer shall take place without the Department's approval of the Mortgage Loan Originator proposed by Respondent.
4. Immediately forward to the licensed Rhode Island Mortgage Loan Originator as described in paragraph 3 above to be held in escrow until further order of this Department any fees related to the items described in the above paragraph 3 listing the documents to be transferred. For any and all fees paid by applicants whose applications were transferred, and or closed and funded, Respondent shall

delineate a plan for the return of any fees due to the respective applicant. To the extent that there were no fees paid by the applicant, Respondent shall clearly designate that no fees were paid.

5. Provide the Department with a list of the NMLS ID #, name, address, license number and contact person of each Mortgage Loan Originator for each file transferred as described in paragraph three (3) immediately upon said transfer. File with the Division a listing of all loans applications currently in the pipeline as of the date of Respondent's receipt of this ORDER

Dated as of the 21st day of June 2010.



A. Michael Marques
Director of Business Regulation

THE DIRECTOR RESERVES THE RIGHT TO PUBLISH A NOTICE OF THIS ORDER IN A NEWSPAPER OF GENERAL CIRCULATION IN THE STATE OF RHODE ISLAND.

CERTIFICATION

I hereby certify on this 21st day of June 2010 that a copy of the within Emergency Order was sent by certified mail postage prepaid to Nathan M. Russo, 3 Wagon Trail, Johnston, RI 02919.