

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
JOHN O. PASTORE COMPLEX
1511 PONTIAC AVENUE
CRANSTON, RI 02920**

IN THE MATTER OF:

**Northeast Funding Corporation
d/b/a Residential Mortgage Associates**

Respondent.

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DBR No.: 06-B-014

FINAL ORDER

The above entitled matter came for hearing pursuant to the Department of Business Regulation's ("Department") Notice of Intention to Revoke License under R.I. Gen. Laws § 19-14-13 and of Opportunity for a Hearing issued on August 10, 2006 to Northeast Funding Corporation d/b/a Residential Mortgage Associates ("Respondent"). The Respondent requested a hearing and a Notice of Hearing and Appointment of Hearing Officer issued on September 17, 2006. On or about March 22, 2007, the Respondent surrendered its loan broker's license. The undersigned was appointed substitute Hearing Officer on April 27, 2009. On October 27, 2011, a hearing was held at which time the Department requested a Final Order of Revocation be issued with the following findings:

1. That the Respondent held a loan broker's license ("License") license number 20041617LB;
2. That Edward M. Connell ("Connell") was the sole owner and officer of the Respondent;

3. That a Notice of Intention to Revoke License under R.I. Gen. Laws § 19-14-13 and of Opportunity for a Hearing (“Notice”) was issued on August 10, 2006 to Respondent;

4. That the Notice alleged several violations by the Respondent of R.I. Gen. Laws § 19-14-1 *et seq.* and relevant regulations and that the Respondent had failed to adequately respond to the Department’s February, 2006 Examination Report of the Respondent;

5. That the allegations contained in the Notice be incorporated into the Final Order;

6. That the Respondent requested a hearing in response to the Notice and a pre-hearing conference was held on November 30, 2006;

7. That on March 22, 2007, the Respondent notified the Department that the Respondent desired to surrender its License and not proceed with the administrative process and the Respondent surrendered its License;

8. That if the Respondent had not surrendered its License, the Department would have sought revocation of the License through the administrative hearing process;

9. That the Respondent return the physical license to the Department or if the License has been lost or misplaced that the Respondent file an affidavit attesting as such;

10. That the Respondent be ordered to Cease and Desist from engaging in any loan brokering activity or mortgage loan origination activity from any location that may involve application for loans from Rhode Island or for any Rhode Island property;

11. That the Respondent and Connell be ordered not to apply for any license issued under R.I. Gen. Laws § 19-14-1 *et seq.* and R.I. Gen. Laws § 19-14.10-1 *et seq.*; and

12. That the Respondent be ordered to file a final annual report with the Department along with the applicable filing fee of \$55.

In response, the Respondent did not make an admission as to any of the Department's alleged violations against Respondent but took no position regarding the Respondent or Connell in future obtaining or applying for a Rhode Island license.

Based on the foregoing, the undersigned makes the following findings:

1. The Respondent held a loan broker's license ("License") license number 20041617LB;

2. Connell was the sole owner and officer of the Respondent;

3. The Notice was issued on August 10, 2006 to Respondent;

4. In response to the Notice, the Respondent requested a hearing and a pre-hearing conference was held on November 30, 2006;

5. On or about March 22, 2007, the Respondent surrendered its License.

6. If the Respondent had not surrendered its License, the Department would have sought revocation of the License by administrative hearing;

7. The Notice alleged several violations by the Respondent of R.I. Gen. Laws § 19-14-1 *et seq.* and relevant regulations and that the Respondent had failed to adequately respond to the Department's February, 2006 Examination Report of the Respondent. Said Notice stated that seven (7) alleged violations by the Respondent were found during the Department's examination of Respondent and that those violations were

set forth in the Department's February 2006 Examination Report. The Department found that the Respondent only adequately responded to two (2) alleged violations. The Department intended to seek revocation of said License on the basis of its alleged seven (7) violations by Respondent and failure to adequately respond to said Examination. The Respondent did not admit to any violations. See Notice.

On the basis of the forgoing, the undersigned makes the following recommended order:

1. The Respondent shall return its physical License to the Department or if the License has been lost or misplaced, the Respondent shall file an affidavit attesting as such;

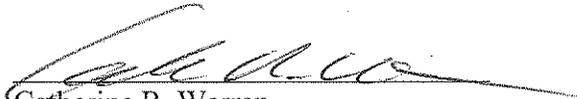
2. The Respondent shall Cease and Desist from engaging in any loan brokering activity or mortgage loan origination activity from any location that may involve application for loans from Rhode Island or for any Rhode Island property;

3. In future, the Respondent and Connell shall not apply for any license issued under R.I. Gen. Laws § 19-14-1 *et seq.* and R.I. Gen. Laws § 19-14.10-1 *et seq.*;

4. The Respondent shall file a final annual report with the applicable filing fee of \$55; and

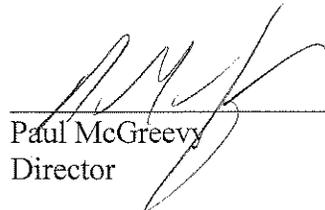
5. The Respondent's surrender of its License shall be treated as a revocation of License.

Entered this 4th day of November, 2011.


Catherine R. Warren
Hearing Officer

I have read the Hearing Officer's recommendation in this matter and I hereby ADOPT/REJECT the findings of facts, the conclusions of law, and recommendation of the hearing officer in the above entitled Final Order.

Dated: Nov 2-11



Paul McGreevy
Director

Entered as Administrative Order No. 11-L-083 on this ____ day of November, 2011.

NOTICE OF APPELLATE RIGHTS

THIS ORDER CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.

CERTIFICATION

I hereby certify that on this 11th day of November, 2011, that a copy of the within Order was sent by first class mail, postage prepaid to –

William P. Murphy, Esquire
Murphy & Fay LLP
127 Dorrance Street, 2nd floor
Providence, RI 02903

and by electronic delivery to Neena Sinha Savage, Esquire and Sara Paterson Cabral, Supervisor of Examinations, Department of Business Regulation, Pastore Complex, 1511 Pontiac Avenue, Cranston, RI.