

FOR IMMEDIATE RELEASE

**CONTACT: Jeff Spill
Deputy Director
(603) 271-1463**

NH SECURITIES BUREAU REACHES SETTLEMENT WITH FIRM ENGAGED IN BROKERING NOTES

CONCORD, NH (October 15th, 2018) – Today, the New Hampshire Bureau of Securities Regulation issued a Consent Order against Russell Bartlett (“Bartlett”) and Towle Farm Mortgage Investors, Inc. (“Towel Farm”), of Nashua, New Hampshire. Towle Farm through its sole owner and principal Russell Bartlett is in the business of originating mortgages, but it also engages in the business of reselling mortgages in a secondary market and has also brokered unsecured promissory notes. The sale of an unsecured promissory note and the secondary sale of a mortgage is a security under New Hampshire law, and sellers for commission have to be licensed. In New Hampshire, there is a demand for these instruments particularly in a good real estate market. Problems can arise, however, when there is a lack of due diligence in the purchase of these products or when the real estate market dips and value is lost. Such was the case in this action where an investor purchased an unsecured promissory note brokered by Towle Farm. It turned out that the seller of the note, William Bischoff, of York Maine, was engaged in a Ponzi scheme and redirected payment on the note to him and others resulting in the investor losing over twenty thousand dollars in principal. Bischoff is now serving a sentence in federal prison for wire fraud and tax evasion.

In the settlement, Towle Farm and Bartlett are ordered to pay a fine and costs of eight thousand dollars, cease and desist, and are barred from licensure and registration privileges in New Hampshire. The issue of restitution to the investor has been put off due to a dispute over the rightful owner of the note payments. The maker of the note,

Universal Waste Management, of East Windsor, Connecticut, has placed the note payments in escrow pending the outcome of the dispute. The Bureau cautions investors to perform proper due diligence when purchasing unsecured notes or the resale of a mortgage.

END