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NEW HAMPSHIRE  
DEPARTMENT OF STATE

**STATE OF NEW HAMPSHIRE  
BUREAU OF SECURITIES REGULATION  
DEPARTMENT OF STATE  
CONCORD, NEW HAMPSHIRE**

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**IN THE MATTER OF:** )  
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 )  
**Russell Bartlett and** )  
**Towle Farm Mortgage Investors, LLC** )  
 )  
 )  
**Respondents** )  
\_\_\_\_\_ )

**COM2017-00021**

**CONSENT ORDER**

I. For purpose of settling the above-referenced matter and in lieu of further administrative proceedings, Russell Bartlett, (hereinafter "RB"), and Towle Farm Mortgage Investors, LLC (hereinafter "TFMI"), have submitted an offer of settlement, which the Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter "Bureau") has determined to accept. Accordingly, the Respondents, without admitting or denying the findings and conclusions herein, do hereby consent to the following findings, conclusions, undertakings and sanctions:

**The Facts**

1. Notemarketplace.com (hereinafter "NMP") is a web based company believed to be based in Los Altos, California. NMP provides an online platform for sellers and brokers of promissory notes to list their notes for sale to the general public. NMP aids sellers in identifying qualified buyers for their notes and aids brokers in identifying notes for their clients.
  
2. Russell Bartlett (hereinafter "RB") is the managing member and owner of TFMI located at 379 Amherst Street, #140, Nashua, New Hampshire. The main business purpose of TFMI is to broker the origination of commercial investment property loans. The source of the funding for these loans is both traditional and non-traditional lenders, such as individual private lenders. In about January 2017, RB was contacted by a William Bischoff (hereinafter "WB") of York, Maine, for the purpose of RB and TFMI finding him a source of funds for the purchase of property located in Kittery, Maine. At this time in January 2017, WB was the holder of an unsecured promissory note for One Hundred and Forty-Nine Thousand Dollars (\$149,000.00) dated December 3, 2016, issued by Universal Waste Management, Inc. (hereinafter "UWM note") located at 250 Main Street, East Windsor, Connecticut 06088. The note is payable to Genesis Investment

Group, Ltd, which is WB's company. At this time in January 2017, WB was seeking funds and he engaged the services of RB and TFMI to sell an interest in the UWM note for a commission.

3. The UWM note was paying Seven Thousand One Hundred Fifty-Three Dollars and Ninety-Two Cents (\$7,153.92) on the 15<sup>th</sup> of each month with a maturity date of November 15, 2018. RB, as managing member of TFMI, agreed with WB to try and find a buyer for the UWM note and on or about February 2017 RB listed the UWM note for sale on NMP with the caption: "DISCOUNTED CORPORATE NOTE W/ 40% RETURN." RB wrote the following on the bottom of the ad:

"This is a non-real estate note with a corporation as borrower. The company owns 2 other companies that are in the recycling business with \$6M in annual sales. The note is fully amortized over 24 months and the first three payments have been made as required. With the discounted price this affords an investor an extraordinary return."

4. Following the listing of the UWM note by RB on NMP, in about the beginning of March 2017, Investor #1 from Santa Rosa, California, responded by e-mail to RB's ad on NMP at e-mail address [Russ@TFMortgageInvestors.com](mailto:Russ@TFMortgageInvestors.com). RB's office is located in his home in Nashua, New Hampshire and he received e-mail regarding this transaction there. Investor #1 expressed an interest in purchasing a partial interest in the UWM note payments for Thirty-Five Thousand Dollars (\$35,000.00). RB, in a series of responses to Investor #1 inquiry, proceeded to act as broker and go between with WB and Investor #1. RB negotiated the terms of the UWM note purchase and execution made between WB and Investor #1. WB and Investor #1 executed a document titled Assignment of Note & Payment Rights (hereinafter "Assignment") dated March 15<sup>th</sup>, 2017 for the UWM note which provided for 15 payments starting on March 15<sup>th</sup>, 2017, of an approximately one-half interest in the UWM note in the amount of Three Thousand Five Hundred Dollars (\$3,500.00) over a period of 15 months for a price of Thirty-Four Thousand Eight Hundred Fifty Dollars (\$34,850.00) with a total payout of Fifty-Two Thousand Five Hundred Dollars (\$52,500.00).
5. Following the execution of the Assignment, Investor #1 received only three payments over three months directly from WB totaling Ten Thousand Five Hundred Dollars (\$10,500.00) and then WB stopped paying, leaving an unpaid balance of Forty-Two Thousand Dollars (\$42,000.00). Investor #1 has demanded payment of the balance owed, but has not received it. RB did receive a commission for his efforts of about Four Thousand Dollars (\$4,000.00) from WB.
6. Subsequent to the sale of the Assignment to Investor #1, on March 17, 2017 RB emailed Investor #1 offering her the secondary sale of an existing note secured by

an industrial condominium. Investor #1 declined that offer. RB also gave testimony to the Bureau indicating that he at times resells existing mortgage notes which are securities.

Law

1. RB and TFMI are persons within the meaning of RSA 421-B:1-102(39).
2. TFMI acted as a broker-dealer within the meaning of RSA 421-B:1-102(26).
3. RB acted as a broker-dealer agent within meaning of RSA 421-B:4-402(a).
4. Pursuant to RSA 421-B:4-401(a), it is unlawful for a broker-dealer to transact securities business in this state unless such person is licensed under RSA 421-B or exempt from licensing. TFMI violated this provision.
5. Pursuant to RSA 421-B:4-402(a), it is unlawful for a broker-dealer agent to transact business in this state unless such person is licensed under RSA 421-B or exempt from licensing. RB is in violation of this provision.
6. Pursuant to RSA 421-B:6-604(a)(1), [i]f the secretary of state determines that a person has engaged, is engaging, or is about to engage, in an act, practice, or course of business constituting a violation of RSA 421-B, the secretary of state may take action necessary or appropriate to comply with this chapter. RB and TFMI are subject to this provision by failing to register as a broker-dealer and be licensed as an agent in NH.
7. Pursuant to RSA 421-B:6-604(a)(1), whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule under this chapter, he shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter. RB and TFMI are subject to this provision for violations of RSA 421-B.
8. Pursuant to RSA 421-B:6-604(d), in a final order, the secretary of state may impose a civil penalty up to a maximum of \$2,500 for a single violation. In addition, every such person, who is subject to such civil penalty, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation, or denial of any registration of license, or be barred from registration or licensure. RB and TFMI are subject to this provision.
9. Pursuant to N.H. RSA 421-B:6-604(g), in any investigation to determine whether any person has violated any rule or order under this title, the secretary of state shall be entitled to recover the costs of the investigation. RB and TFMI are subject to this provision.

II. In view of the foregoing, the Respondents agrees to the following undertakings and sanctions:

1. Respondent agrees that that they have voluntarily consented to the entry of this Order and represent and aver that no employee or representative of the Bureau has made any promise, representation or threat to induce their execution.
2. Respondent agrees to waive their right to the administrative hearing process and any appeal therein under 421-B. However, under this Consent Order, the parties agree that a determination of the sole issue of liability for and imposition of a restitution and/or rescission order for the benefit of Investor #1 is held in abeyance and all rights and remedies on that sole issue are reserved until the end of February 2019 pending the outcome of the Robert Treadwell and Tamara Jones matter pending in the Superior Court Judicial District of Hartford (docket number HHD-CV17-4085491-S). Should that matter not be resolved by the end of February 2019, either party may submit a request to have a hearing for a determination on restitution or rescission or request to further delay a determination of the restitution or rescission.
3. Respondents agree to pay an administrative fine in the amount of Two Thousand Five-Hundred Dollars (\$2,500) and costs in the amount of Five Thousand Five-Hundred Dollars (\$5,500), for a total of Eight Thousand Dollars (\$8,000) to the State of New Hampshire. After execution of this Order payment shall be made as follows: (1) By United States postal money order, certified check, bank cashier's check, or bank money order; (2) Made payable to the State of New Hampshire; (3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301; and, (4) pursuant to the following schedule: \$2,000.00 on or before 11-30-2018; \$3,000.00 on or before 12-31-2018; and, \$3,000.00 on or before 01-31-2019.
4. Respondents agree that this Consent Order is entered into for purpose of resolving only the matter and issues as described herein and no other issues pending before the State of New Hampshire. This Consent Order shall have no collateral estoppel, res judicata, evidentiary, or other legal effect in any other lawsuit, proceeding, or action, not described herein. Likewise, this Consent shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct that the Bureau was unaware of at the time this Consent Order was executed. If the Respondent fails to comply with any provision herein, this Consent Order may be vacated by the Bureau and enforcement proceedings reinstated. The Bureau agrees that it will not initiate an

administration investigation or proceeding relative to conduct the Bureau is aware of at the time this Consent Order is executed.

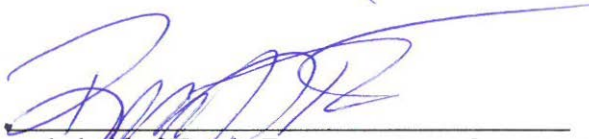
Respondents agree to be permanently barred from any future securities licensing or registration privileges in the State of New Hampshire, as presently codified under RSA 421-B.

5. The Respondents may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this Consent or create the impression that the Consent is without factual basis except as outlined in paragraph 2 above. Nothing in this provision affects the Respondents' testimonial obligations or right to take legal positions in litigation in which the State of New Hampshire is not a party.
6. Respondents shall cease and desist from offering or brokering the sale of unsecured promissory notes, including assignments thereof, and offering or brokering the secondary sales of mortgages. Respondents acknowledge that any person who willfully violates a cease and desist order shall be guilty of a class B felony.

III. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. **THEREFORE, IT IS HEREBY ORDERED THAT:**

1. Respondents pay jointly and severally an administrative fine in the amount of Two Thousand Five-Hundred Dollars (\$2,500) and costs of Five Thousand Five-Hundred Dollars (\$5,500), totaling Eight Thousand Dollars (8,000), as stated above.
2. Respondents cease and desist from offering or brokering the sale of unsecured promissory notes, including assignments thereof, and offering or brokering the secondary sales of mortgages.
3. Respondents are hereby permanently barred from any future securities licensing or registration privileges in the State of New Hampshire, as presently codified under RSA 421-B.
3. Respondents comply with the above-referenced undertakings.

Executed this 5<sup>TH</sup> day of October, 2018.



on behalf of Towle Farm Mortgage Investors, LLC  
Please print name below:

Russell J. Bartlett

Executed this 5<sup>TH</sup> day of October, 2018



Russell Bartlett

Entered this 12<sup>th</sup> day of October, 2018



Barry Glenn, Director