

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

IN THE MATTER OF:

**Financial Resources and Assistance
of the Lakes Region, Inc.**

Scott Farah

RESPONDENTS

**No. INV 00-007
06-049**

CONSENT AGREEMENT

- I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Scott Farah and Financial Resources and Assistance of the Lakes Region, Inc. (hereinafter referred to as "Farah" and "FRA") have submitted an offer of settlement, which the Bureau of Securities Regulation, Department of State, State of New Hampshire (hereinafter referred to as "the Bureau") has determined to accept. Accordingly, solely for the purposes of this proceeding, and without admitting or denying The Facts, The Law, or any other allegations herein, the Respondents do hereby consent to the entry of this Consent Agreement as set forth below:

The Facts

1. FRA is a business entity with a principal office located at 15 Northview Drive, PO Box 1158, Meredith, New Hampshire 03235. FRA was incorporated in the State of New Hampshire on or about 5/18/89. Farah is the President and sole owner of all of the outstanding voting common stock of FRA. FRA is a licensed New Hampshire mortgage broker and small loan lender engaged in the business of consumer and mortgage lending.
2. From 1996 to the present, ("relevant time period"), Farah and FRA issued a series of preferred stock, promissory notes, accounts, and participation agreements, (hereinafter "the securities") to investors at varying rates of interest payable periodically over the term of the investment.

3. Based on Bureau records, at the time of the issuance of the securities listed in paragraph 2, certain of the securities issued were not registered, exempt from registration, or a federal covered security as defined by RSA 421-B.
4. Based on Bureau records, at the time of the issuance of the securities listed in paragraph 2, FRA and Farah did not have an issuer-dealer license or an agent's license related thereto, respectively, and were not authorized to sell certain of the securities.
5. The Bureau commenced an adjudicative proceeding against the Respondents pursuant to RSA 421-B (the "Chapter") by means of a Staff Petition for Relief dated November 5, 2001 ("Petition"). On November 8, 2001, the New Hampshire Secretary of State issued an Order to Show Cause, Order to Cease and Desist against the Respondents ("Order"). On September 13, 2002, the Bureau filed an amended Petition For Relief.

The Law

1. Pursuant to New Hampshire RSA 421-B:11, it is unlawful for any person to offer or sell any security in this state unless it is registered under the Chapter, the security or transaction is exempted under RSA 421-B:17, or it is a federally covered security. Respondents Farah and FRA are in violation of RSA 421-B:11 with respect to certain issuances of securities.
 2. During the relevant time period described above, neither Farah nor FRA, or any other person acting on FRA's behalf, was licensed to offer or sell securities in the State of New Hampshire nor were all of such securities exempt under RSA 421-B.
 3. Pursuant to RSA 421-B:6, it is unlawful for any person to transact business in this state as an issuer-dealer or agent unless such person is licensed under this chapter. Respondents are in violation of this section with respect to certain issuances of securities.
 4. Pursuant to RSA 421-B:23 and RSA 421-B:26, the Bureau, under the authority of the Secretary of State, can order the Respondents to cease and desist, the payment of restitution, and a fine for violations of RSA 421-B.
- II. In view of the foregoing, the Respondents agree to the following undertakings and sanctions:
1. Respondents agree that that they have voluntarily consented to the entry of this Agreement and represent and aver that no employee or representative of the Bureau has made any promise, representation or threat to induce their execution.

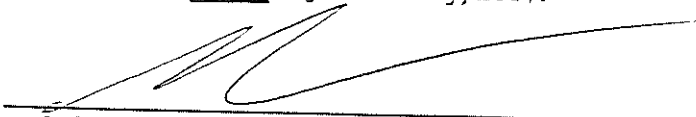
2. Respondents agree to waive their right to an administrative hearing; and any appeal therein under the Chapter.
3. Respondents agree to cease and desist from violations of RSA 421-B:11 and RSA 421-B:6, I as described above.
4. Upon execution of this Agreement by FRA and Farah, Respondents agree to pay an administrative fine in the amount of Twenty Thousand Dollars (\$20,000) to the State of New Hampshire. Payment shall be made by 1) United States postal money order, certified check, bank cashier's check, or bank money order; 2) made payable to the State of New Hampshire; and 3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.
5. Respondents agree to make restitution and to redeem the outstanding securities, including interest owed, from any remaining investors currently holding securities of the Respondents. Redemption shall be paid in the time frame as described in the letter of Respondents' counsel to the Bureau dated October 12, 2006, with the attached schedules of outstanding capital debt; provided however, that the securities issued to Purens shall be redeemed no later than 09/30/07. Therefore, by 09/30/07, all investors shall be paid in full, and a report of those payments and confirmation of payment in full shall be sent to the Bureau periodically as the payments are made.
6. Respondents agree that in the event Respondents receive notice of the apparent existence of a holder of securities of FRA other than those known to Respondents and disclosed to the Bureau prior to the date hereof, whether in form of shares of preferred stock, an unsecured promissory note or an 'account,' so called, or otherwise, Respondents will take the actions set forth in this paragraph. Respondents will immediately cause such investigation of such securities issuance as deemed necessary and appropriate to verify the holder's claim of ownership. In the event the Respondents agree with such claim ("verified securities"), they will take such actions as are necessary to redeem such verified securities in full and will provide a copy of such redemption correspondence to the Bureau. In the event the Respondents are unable to verify a claim of securities ownership within 30 days of receipt of such a claim, or are unable to fully redeem verified securities within 90 days of the receipt of a claim, Respondents will provide written notice to the Bureau of such a disputed claim or the proposed time frame within which such verified securities will be redeemed in full. Respondents further agree to cooperate with the Bureau in resolving such a disputed claim or the proposed time frame within which verified securities will be redeemed in full.

7. Respondents agree that this Agreement is entered into for purposes of resolving the matters as described herein and all pending matters before the Bureau regarding Respondents. The Bureau agrees that this Agreement is entered into to resolve all claims asserted in the Petition and the Order as well as all pending matters before the Bureau regarding Respondents. This Agreement shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by Respondents which the Bureau has no knowledge at the time of the date of final entry of this Agreement. Should the Respondents fail to comply with any aspect of this Agreement, this Agreement may be vacated, and the Bureau may proceed with enforcement action.
8. 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 Agreement or create the impression that the Agreement is without factual basis. Nothing in this provision affects the Respondent's testimonial obligations or right to take legal positions or factual positions in litigation or proceedings in which the Bureau is not a party.

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

1. Respondents will cease and desist from violations of the Chapter discussed above, particularly RSA 421-B:11 and RSA 421-B:6,I.
2. Respondents will pay an administrative fine to the Bureau in the amount of Twenty Thousand Dollars (\$20,000).
3. Respondents will make restitution and redeem its outstanding securities as described above.
4. Respondents will comply with the above-referenced undertakings.

Executed this 24th day of January, 2007.


on behalf of FRA

(Please print name below:)

SCOTT FARAH

Scott Farah
Its President

Executed this 24th day of January, 2007



Scott Farah

Entered this 25 day of Jan, 2007.



Mark Connolly, Director
Bureau of Securities Regulation