



Barry Glennon  
Director

# State of New Hampshire

## Department of State Bureau of Securities Regulation

107 North Main Street, State House Rm. 204  
Concord, NH 03301-4989  
Telephone: (603) 271-1463. Fax: (603) 271-7933

**FOR IMMEDIATE RELEASE**

**CONTACTS:**

**Jeffrey Spill**  
**Deputy Director**  
**NH Bureau of Securities Regulation**  
**(603) 271-1467**

**Jill Desrochers**  
**Director of Consumer Credit Division**  
**NH Banking Dept.**  
**(603) 271-3561**

### **NH BUREAU OF SECURITIES REGULATION AND THE NH BANKING DEPARTMENT SETTLE CASE AGAINST UPPER VALLEY COMMERCIAL CORPORATION, DAVID PATTEN, AND ALVIN FADDEN FOR \$500,000 IN FINES, PLUS OTHER SANCTIONS**

**CONCORD, NH (January 8, 2015)** – The New Hampshire Bureau of Securities Regulation and the New Hampshire Banking Department have announced the settlement of pending enforcement matters against Upper Valley Commercial Corporation (UVCC), as well as David Patten and Alvin Fadden, two principals of UVCC.

As part of the settlement with the Bureau of Securities Regulation, UVCC, David Patten, and Alvin Fadden agree to permanently cease and desist from further violations of New Hampshire securities law, pay a fine of \$250,000, and be permanently barred from any securities licensure in the State of New Hampshire. As part of the settlement with the Banking Department, UVCC, David Patten, and Alvin Fadden agree to permanently cease and desist from further violations of New Hampshire's private banking statute, and pay a fine of \$250,000.

**-MORE-**

UVCC is located in North Haverhill, New Hampshire. The business was primarily engaged in borrowing money from individuals with the promise of returning the money, plus interest, and using those borrowed funds to make loans to various individuals and entities. The money received was evidenced by either an unsecured promissory note or a demand deposit card, both of which the Securities Bureau alleged violated New Hampshire's securities laws and the Banking Department alleged violated New Hampshire's banking laws.

The Securities Bureau and the Banking Department began their investigations in the fall of 2013 after Securities Bureau Senior Auditor William Masuck uncovered the activity after receiving a tip during a routine examination in the North Haverhill area. The Securities Bureau and the Banking Department's initial investigation resulted in interim cease and desist orders being issued by both agencies on December 27<sup>th</sup>, 2013. On December 31<sup>st</sup>, 2013, UVCC filed for voluntary bankruptcy protection under Chapter 11 of the United States Bankruptcy Code. On May 30<sup>th</sup>, 2014, the United States Bankruptcy Court confirmed UVCC's Plan of Reorganization under which the company will pay back all promissory notes and demand deposit notes in full, with interest, within three years. Since that time, the company has been collecting on its accounts receivable and paying back promissory note and demand deposit note holders according to the plan.

According to the terms of the Securities Bureau and Banking Department settlements, UVCC, David Patten, and Alvin Fadden, without admitting or denying the allegations, agreed to pay the fine of \$250,000 to each agency, but only after certain non-insider creditors or note holders are paid in full according to the Plan of Reorganization. "These settlements strike a balance that prioritizes restitution for consumers, while also meaningfully deterring future violations of state securities and banking laws," said Director of Consumer Credit Division Jill Desrochers. "The Bureau will continue to monitor the bankruptcy process to ensure that investors are paid back in full," said Securities Bureau Staff Attorney Eric Forcier. "The Bureau's settlement allows for this matter to be reopened if UVCC fails to perform all material obligations under the Plan of Reorganization," added Forcier.

The Securities Bureau and Banking Department worked cooperatively with the New Hampshire Attorney General's Office in this matter. The Attorney General's Office represented the

Securities Bureau's and the Banking Department's interests in the United States Bankruptcy Court. Jeffrey Spill, Deputy Director of the Securities Bureau, stated that "the state acted quickly to shut down this illegal activity." "This is a great example of the various state agencies coming together to share resources, jointly investigate, and ultimately reach a favorable result for the State of New Hampshire," added Spill.