

1 In re the Matter of:) Case No.: 08-432
)
 2 State of New Hampshire Banking)
)
 3 Department,)
)
 4 Petitioner,) Order to Show Cause and
) Cease and Desist
 5 and)
)
 6 CMG Group, Inc. (d/b/a OSL Marketing)
)
 7 Inc.),)
)
 8 Respondent)

9 NOTICE OF ORDER TO SHOW CAUSE AND CEASE AND DESIST ("ORDER")

10 1. This Order commences an adjudicative proceeding under the provisions
 11 of RSA Chapter 399-A (including RSA 399-A:7,I and II, RSA 399-A:8,I and RSA
 12 399-A:16,IV) and RSA Chapter 541-A.

13 2. The Commissioner may impose administrative penalties of up to
 14 \$2,500.00 for each violation. RSA 399-A:18,V and VI.

15 RESPONDENT

16 3. CMG Group Inc. (d/b/a OSL Marketing, Inc.) ("Respondent CMG") is a
 17 business with a principal office location in Charlestown, Nevis, West
 18 Indies. The Better Business Bureau lists a principal office location in
 19 Kansas City, Missouri. Respondent CMG is not registered with the Missouri
 20 Secretary of State or the New Hampshire Secretary of State. Respondent CMG
 21 is a "Person." RSA 399-A:1,XII.

22 4. The New Hampshire Banking Department ("Department") records indicate
 23 Respondent CMG has never held a PayDay or Small Loan Lender license with the
 24 Department.

25

1 RIGHT TO REQUEST A HEARING

2 5. Respondent has a right to request a hearing on this Order. A hearing
3 shall be held not later than ten (10) days after the Commissioner receives
4 the Respondent's written request for a hearing. Respondent may request a
5 hearing and waive the ten (10) day hearing requirement. The hearing shall
6 comply with RSA Chapter 541-A. RSA 399-A:7 and RSA 399-A:8.

7 6. If any person fails to request a hearing within thirty (30) days of
8 receiving this Order, then such person shall be deemed in default, and the
9 Order shall, on the thirty-first (31st) day, become permanent, all
10 allegations may be deemed true, and shall remain in full force and effect
11 until modified or vacated by the Commissioner for good cause shown. RSA
12 399-A:7 and RSA 399-A:8.

13 7. A default may result in administrative fines as described in Paragraph
14 2 above.

15 STATEMENT OF ALLEGATIONS

16 8. On May 14, 2008 the Department received a complaint from a New
17 Hampshire consumer ("Consumer A") against Respondent CMG concerning a payday
18 or small loan.

19 9. On March 29, 2007, Respondent CMG, without the authorization of
20 Consumer A, had deposited \$200.00 into Consumer A's checking account and
21 then attempted to automatically deduct "loan fees" ten (10) times within a
22 month and a half time frame, in violation of RSA 399-A:11,XI, RSA 399-A:13,I
23 and RSA 399-A:13,XX.

24 10. Respondent CMG deducted \$60.00 from Consumer A's checking account and
25 also caused Consumer A to pay \$315.00 in fees. Consumer A should be

1 entitled to a refund of \$175.00, the amount over the \$200.00 originally
2 deposited in Consumer A's checking account.

3 11. Consumer A received no written documentation of a loan from Respondent
4 CMG, in violation of RSA 399-A:11,XIV, RSA 399-A:13,II and RSA 399-
5 A:13,XVII.

6 12. Respondent CMG is engaged in the business of offering New Hampshire
7 consumers payday loans over the internet without a license, in violation of
8 RSA 399-A:2,I.

9 13. On August 5, 2008, the Department sent a letter via U.S. Certified
10 Mail return receipt requested to Respondent CMG at the Kansas City, Missouri
11 address suggesting it apply for licensure with the Department and requesting
12 it provide the Department with information concerning the nature of its
13 operations.

14 14. On August 22, 2008, the Department received a response from Respondent
15 CMG, stating that Respondent CMG is not currently engaged in business
16 activities in the State of New Hampshire. The letterhead for the response
17 from Respondent CMG contained the Charlestown, Nevis, West Indies address,
18 and "OSL Marketing Inc., Customer Service Center" appears in the signature
19 block. The response did not contain any of the information requested in the
20 August 4, 2008 letter.

21 15. On November 3, 2008, the Department sent a letter via U.S. Registered
22 Mail return receipt requested for International Mail to Respondent CMG at
23 the Charlestown, Nevis, West Indies address, again requesting information
24 concerning Respondent CMG's New Hampshire operations. This letter was
25 delivered and signed for on January 8, 2009.

1 d. Pursuant to RSA 399-A:7,I and II and RSA 399-A:8,I, if
2 Respondent fails to respond to this Order and/or defaults then all facts as
3 alleged herein are deemed as true.

4 **21. Accordingly, it is hereby ORDERED that:**

5 a. Respondent shall cease and desist from violating RSA Chapter
6 399-A and rules or orders thereunder;

7 b. Respondent shall immediately provide the Department a list of
8 all New Hampshire consumers for whom Respondent has given payday or small
9 loans and a status of those accounts. This list must include the names and
10 contact information of the New Hampshire consumers, along with monies
11 charged, collected and waived (if applicable). The list shall also be
12 accompanied by all contracts, checks to and from the consumer and any other
13 documents in the New Hampshire consumers' files;

14 c. Respondent shall show cause why the Commissioner should not
15 enter an order of rescission, restitution, or disgorgement of profits,
16 including at a minimum restitution of \$175.00 (for Consumer A);

17 d. Respondent shall show cause why an administrative fine of up to
18 a maximum of \$2,500.00 per violation should not be imposed as follows:

19 (1). Respondent CMG:

20 Violation #1: Unlicensed payday or small loan activity
21 (RSA 399-A:2,I) - 1 Count;

22 Violation #2: Failure to produce requested documents
23 relevant to an investigation (RSA 399-A:10,II) - 1 Count;

24 Violation #3: Failure to provide notice to consumers that
25 a complaint may be filed with the commissioner (RSA 399-

1 A:11,XIV) - 1 Count;

2 Violation #4: Failure to provide proper written loan
3 agreement (RSA 399-A:13,II) - 1 Count;

4 Violation #5: Failure to notify buyers of payday loan
5 purpose (RSA 399-A:13,XVII) - 1 Count;

6 Violation #6: Issuing a payday loan at higher than
7 permitted APR (RSA 399-A:13,XX) - 1 Count;

8 Violation #7: Charging additional fees on a payday loan
9 (RSA 399-A:11,XI and RSA 399-A:13,I) - 1 Count

10 e. Nothing in this Order:

11 (1). shall prevent the Department from taking any further
12 administrative and legal action as necessary under New Hampshire law; and

13 (2). shall prevent the New Hampshire Office of the Attorney
14 General from bringing an action against the above named Respondent in any
15 New Hampshire superior court, with or without prior administrative action by
16 the Commissioner.

17
18 **SO ORDERED.**

19 _____
/s/
20 RONALD A. WILBUR
BANK COMMISSIONER

Dated: August 14, 2011