



1 4. The New Hampshire Banking Department ("Department") records indicate  
2 Respondent Northway has never held a PayDay or Small Loan Lender license  
3 with the Department.

4 **RIGHT TO REQUEST A HEARING**

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

10 6. If any person fails to request a hearing within thirty (30) days of  
11 receiving this Order, then such person shall be deemed in default, and the  
12 Order shall, on the thirty-first (31<sup>st</sup>) day, become permanent, all  
13 allegations may be deemed true, and shall remain in full force and effect  
14 until modified or vacated by the Commissioner for good cause shown. RSA  
15 399-A:7 and RSA 399-A:8.

16 7. A default may result in administrative fines as described in Paragraph  
17 2 above.

18 **STATEMENT OF ALLEGATIONS**

19 **Consumer A:**

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

23 9. On April 4, 2007, Respondent issued Consumer A the payday or small  
24 loan in the amount of \$200.00, in violation of RSA 399-A:2,I.

25 10. Respondent deducted \$254.00 from Consumer A's bank account eight (8)

1 days later in violation of RSA 399-A:11,XI and RSA 399-A:13,I. Consumer A  
2 should be entitled to a refund of \$54.00, the amount over the \$200.00  
3 originally borrowed.

4 11. On April 16, 2007, Respondent issued Consumer A the payday or small  
5 loan in the amount of \$300.00, in violation of RSA 399-A:2,I, and RSA 399-  
6 A:13 XIX.

7 12. Respondent attempted to deduct funds from Consumer A's checking  
8 account six (6) times over the course of a month causing \$210.00 in bank  
9 fees.

10 **Consumer B:**

11 13. On March 13, 2008 the Department received a complaint from a New  
12 Hampshire consumer ("Consumer B") against Respondent concerning a payday or  
13 small loan.

14 14. Respondent issued Consumer B the payday or small loan, in violation of  
15 RSA 399-A:2,I.

16 **Consumer C:**

17 15. On April 27, 2009 the Department received a complaint from a New  
18 Hampshire consumer ("Consumer C") against Respondent concerning a payday or  
19 small loan.

20 16. On August 15, 2008, Respondent issued Consumer C the payday or small  
21 loan in the amount of \$1400.00, in violation of RSA 399-A:2,I and RSA 399-  
22 A:13,VI. The annual percentage rate for this loan was 703.93% in violation  
23 of RSA 399-A:13,XX. The loan agreement did not provide notice to the  
24 consumer that a complaint may be filed with the commissioner in violation of  
25 RSA 399-A:11,XIV.

1 17. Respondent deducted \$1778.00 from Consumer C's bank account over the  
2 course of 2 weeks in violation of RSA 399-A:11,XI and RSA 399-A:13,I.  
3 Consumer C should be entitled to a refund of \$378.00, the amount over the  
4 \$1400.00 originally borrowed.

5 **Consumer D:**

6 18. On or about November 28, 2007 the Department received a complaint from  
7 a New Hampshire consumer ("Consumer D") against Respondent concerning a  
8 payday or small loan.

9 19. Respondent issued Consumer D the payday or small loan in the amount of  
10 \$700.00, in violation of RSA 399-A:2,I and RSA 399-A:13,VI.

11 **Consumer E:**

12 20. On October 29, 2010 the Department received a complaint from a New  
13 Hampshire consumer ("Consumer E") against Respondent concerning a payday or  
14 small loan.

15 21. On November 10, 2009, Respondent issued Consumer E the payday or small  
16 loan in the amount of \$300.00, in violation of RSA 399-A:2,I.

17 **Consumer F:**

18 22. On November 4, 2010 the Department received a complaint from a New  
19 Hampshire consumer ("Consumer F") against Respondent concerning a payday or  
20 small loan.

21 23. On March 4, 2008 Respondent issued Consumer F the payday or small loan  
22 in the amount of \$200.00, in violation of RSA 399-A:2,I.

23 24. Respondent deducted \$239.96 from Consumer F's bank account three (3)  
24 days later in violation of RSA 399-A:11,XI and RSA 399-A:13,I. Consumer F  
25 should be entitled to a refund of \$39.96, the amount over the \$200.00

1 originally borrowed.

2 25. On April 18, 2008 Respondent issued Consumer F the payday or small  
3 loan in the amount of \$300.00, in violation of RSA 399-A:2,I and RSA 399-  
4 A:13,XIX.

5 26. Respondent deducted \$359.95 from Consumer F's bank account fourteen  
6 (14) days later in violation of RSA 399-A:11,XI and RSA 399-A:13,I. Consumer  
7 F should be entitled to a refund of \$59.95, the amount over the \$300.00  
8 originally borrowed.

9 27. On May 16, 2008 Respondent issued Consumer F the payday or small loan  
10 in the amount of \$300.00, in violation of RSA 399-A:2,I and RSA 399-  
11 A:13,XIX. The annual percentage rate for this loan was 520.91% in violation  
12 of RSA 399-A:13,XX. The loan agreement did not provide notice to the  
13 consumer that a complaint may be filed with the commissioner in violation of  
14 RSA 399-A:11,XIV.

15 **Consumer G:**

16 28. On May 24, 2011 the Department received a complaint from a New  
17 Hampshire consumer ("Consumer G") against Respondent concerning a payday or  
18 small loan.

19 29. On March 16, 2010, Respondent issued Consumer G the payday or small  
20 loan in the amount of \$1300.00, in violation of RSA 399-A:2,I and RSA 399-  
21 A:13,VI. The annual percentage rate for this loan was 657.45% in violation  
22 of RSA 399-A:13,XX.

23 30. On June 15, 2010, Respondent issued Consumer G the payday or small  
24 loan in the amount of \$1300.00, in violation of RSA 399-A:2,I and RSA 399-  
25 A:13,VI. The annual percentage rate for this loan was 657.45% in violation

1 of RSA 399-A:13,XX.

2 31. On October 15, 2010, Respondent issued Consumer G the payday or small  
3 loan in the amount of \$1300.00, in violation of RSA 399-A:2,I and RSA 399-  
4 A:13,VI. The annual percentage rate for this loan was 657.45% in violation  
5 of RSA 399-A:13,XX.

6 32. On November 15, 2010, Respondent issued Consumer G the payday or small  
7 loan in the amount of \$1300.00, in violation of RSA 399-A:2,I, RSA 399-  
8 A:13,VI and RSA 399-A:13,XIX. The annual percentage rate for this loan was  
9 657.45% in violation of RSA 399-A:13,XX.

10 33. On March 3, 2011, Respondent issued Consumer G the payday or small  
11 loan in the amount of \$1300.00, in violation of RSA 399-A:2,I and RSA 399-  
12 A:13,VI. The annual percentage rate for this loan was 657.45% in violation  
13 of RSA 399-A:13,XX.

14 34. On May 16, 2011, Respondent issued Consumer G the payday or small loan  
15 in the amount of \$1300.00, in violation of RSA 399-A:2,I and RSA 399-  
16 A:13,VI. The annual percentage rate for this loan was 657.45% in violation  
17 of RSA 399-A:13,XX. The loan agreement did not provide notice to the  
18 consumer that a complaint may be filed with the commissioner in violation of  
19 RSA 399-A:11,XIV.

20 **Correspondence:**

21 35. On March 13, 2008, the Department sent a letter via U.S. Certified  
22 Mail return receipt requested to Respondent at the Sliema, Malta address  
23 suggesting it apply for licensure with the Department and resolution of a  
24 consumer complaint. Respondent received the correspondence on March 24,  
25 2008. The Department did not receive a response to this correspondence from

1 Respondent.

2 36. On August 5, 2008, the Department sent a letter via U.S. Certified  
3 Mail return receipt requested to Respondent at the Oakes, Pennsylvania  
4 address suggesting it apply for licensure with the Department. Respondent  
5 received the correspondence on August 8, 2008. The Department did not  
6 receive a response to this correspondence from Respondent.

7 37. On September 26, 2008, the Department sent a letter via U.S. Certified  
8 Mail return receipt requested to Respondent at the Sliema, Malta address  
9 suggesting it apply for licensure with the Department.

10 38. On October 28, 2008, the Department received a letter from GVTH  
11 Advocates indicating that they represented the Respondent. The  
12 correspondence indicated that the Respondent believed it was not subject to  
13 New Hampshire RSA 399-A because it was a financial institution that operated  
14 outside of the United States.

15 39. On October 9, 2009, the Department sent a letter via U.S. Mail to  
16 Respondent at the Sliema, Malta address suggesting it apply for licensure  
17 with the Department. The Department never received the letter back from the  
18 U.S. Post Office. The Department did not receive a response to this  
19 correspondence from Respondent.

20 40. On January 18, 2011, the Department sent a letter via U.S. Mail to  
21 Respondent at the Sliema, Malta address and the British Columbia, Canada  
22 address suggesting it apply for licensure with the Department, requesting  
23 documentation regarding New Hampshire consumer activity, and resolution of  
24 the consumer complaints.

25 41. On February 2, 2011, the Department received a letter from Simon





1 Respondent fails to respond to this Order and/or defaults then all facts as  
2 alleged herein are deemed as true.

3 45. **Accordingly, it is hereby ORDERED that:**

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

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

13 c. Respondent shall show cause why the Commissioner should not  
14 enter an order of rescission, restitution, or disgorgement of profits,  
15 including at a minimum restitution of \$264.00 (for Consumer A), \$378.00 (for  
16 Consumer C), \$99.91 (for Consumer F), and restitution for Consumer B,  
17 Consumer D, Consumer E, and Consumer G if applicable;

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

20 (1). Respondent Northway:

21 Violation #1: Unlicensed payday or small loan activity  
22 (RSA 399-A:2,I) - 15 Counts;

23 Violation #2: Charging additional fees on a loan (RSA 399-  
24 A:11,XI)) - 4 Counts;

25 Violation #3: Charging additional fees on a loan (RSA 399-

1 A:13,I) - 4 Counts;

2 Violation #4: Making multiple payday loans to a borrower  
3 within sixty days (RSA 399-A:13,XIX) - 4 counts;

4 Violation #5: Failure to provide requested documents (RSA  
5 399-A:10,II) - 1 count;

6 Violation #6: Failure to provide notice to consumers that  
7 a complaint may be filed with the commissioner (RSA 399-  
8 A:11,XIV) - 3 counts;

9 Violation #7: Making a payday with a principal amount  
10 greater than \$500.00 (RSA 399-A:13,VI) - 8 counts;

11 Violation #8: Making a payday loan with an Annual  
12 Percentage Rate in excess of 36 percent per year (RSA 399-  
13 A:13,XX) - 8 counts;

14 e. Nothing in this Order:

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

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

21  
22 **SO ORDERED.**

23 \_\_\_\_\_ /s/  
24 RONALD A. WILBUR  
25 BANK COMMISSIONER

Dated: August 19, 2011