

1 State of New Hampshire Banking Department

2 In re the Matter of: )Case No.: 09-132  
 )  
 3 State of New Hampshire Banking )  
 )  
 4 Department, )  
 )  
 5 Petitioner, )Consent Order  
 )  
 6 and )  
 )  
 7 LHF Inc (d/b/a Pelham Auto Finance), and )  
 )  
 8 James Kemos, )  
 )  
 9 Respondents )  
 )

10 CONSENT ORDER

11 The State of New Hampshire Banking Department (the "Department") finds and  
12 Orders as follows:

13 **Respondents**

- 14 1. LHF Inc (d/b/a Pelham Auto Finance) ("LHF") is a corporation that  
 15 registered with the New Hampshire Secretary of State on April 2, 1999  
 16 with a principal office location in Pelham, New Hampshire and  
 17 administratively dissolved on September 1, 2011. LHF was licensed by  
 18 the Department as a Retail Seller from 1999 until the expiration of  
 19 its license on December 31, 2009.
- 20 2. James Kemos ("Kemos"), who is James A. Kemos, was the 100% owner,  
 21 Director and President of LHF.

22 **Jurisdiction**

- 23 3. The Department is authorized to regulate retail sellers pursuant to  
 24 RSA Chapter 361-A. RSA 361-A:2.
- 25 4. The Commissioner has jurisdiction to issue orders to show cause and to

1 cease and desist from violations under RSA Chapter 361-A and to  
2 revoke, deny, or suspend a license of a licensee and/or assess  
3 penalties pursuant to RSA Chapter 361-A. RSA 361-A:3,I, RSA 361-A:3,I-  
4 a, RSA 361-A:3-a and RSA 361-A:11.

5 **Facts**

6 5. In 2009, the Department received two (2) consumer complaints (Consumer  
7 A and Consumer B) from New Hampshire consumers indicating that LHF  
8 failed to pay off their existing motor vehicle liens for motor  
9 vehicles traded in to purchase new vehicles from LHF and Kemos. Based  
10 upon documentation subsequently received by the Department in December  
11 of 2011, LHF and Kemos did eventually pay off those two (2) existing  
12 motor vehicle liens on the traded-in motor vehicles in 2009 and  
13 Consumers A and B have been made whole.

14 6. LHF and Kemos did fail to respond to the Department regarding the  
15 consumer complaints even though they were required to substantively  
16 respond within sixty (60) days of their receipt of the complaints with  
17 either their position or a resolution.

18 7. LHF and Kemos incurred a statutory fine for the late filing of a  
19 consumer complaint response for both Consumers A and B. The statutory  
20 daily fine pursuant to RSA 361-A:4-a,II is \$50.00 per day. The  
21 statutory fine incurred for the Consumer A consumer complaint is  
22 \$5,150.00 and for the Consumer B consumer complaint is \$2,350.00.

23 **Violation(s) of Law and Penalties**

24 8. LHF and Kemos are "Persons" as defined by RSA 361-A:1,VIII.

25 9. LHF and Kemos may be assessed an administrative fine not to exceed

1 \$2,500.00 for each violation (as set out by counts in the December 30,  
2 2009 Order to Show Cause and Cease and Desist Order) of RSA Chapter  
3 361-A. RSA 361-A:11, VII and VIII.

4 **Respondents' Consent**

5 10. LHF and Kemos hereby acknowledge that were an administrative hearing  
6 to be held in this matter, the Department would introduce evidence  
7 demonstrating that LHF and Kemos violated RSA Chapter 361-A.

8 11. LHF and Kemos have voluntarily entered into this Consent Order without  
9 reliance upon any discussions between the Department and LHF and  
10 Kemos, without promise of a benefit of any kind (other than  
11 concessions contained in this Consent Order), and without threats,  
12 force, intimidation, or coercion of any kind. LHF and Kemos further  
13 acknowledge their understanding of the nature of the allegations set  
14 forth in this action, including the potential penalties provided by  
15 law.

16 12. LHF and Kemos hereby acknowledge, understand, and agree that there is  
17 the right to notice, hearing, and/or a civil action and hereby waive  
18 said rights.

19 **Order**

20 13. **Whereas pursuant to RSA 361-A:5,VI** finding this Consent Order  
21 necessary, appropriate and in the public interest and consistent with  
22 the intent and purposes of New Hampshire banking laws, the Department  
23 Orders as follows:

24 a. LHF and Kemos shall cease and desist from violating RSA Chapter  
25 361-A in New Hampshire;

1           b. LHF and Kemos shall agree to revocation of LHF's New Hampshire  
2           Retail Seller license, but may apply for licensure in six (6)  
3           years as long as LHF and Kemos do not conduct Retail Seller or  
4           Sales Finance Company activity in New Hampshire for a period of  
5           six (6) years from the date of this fully executed Consent  
6           Order;

7           c. Statutory penalties totaling \$7,500.00 and administrative  
8           penalties totaling \$140,000.00 shall be held in abeyance for six  
9           (6) years from date of this fully executed Consent Order as long  
10          as LHF and Kemos do not conduct Retail Seller or Sales Finance  
11          Company activity in New Hampshire and shall be dismissed after  
12          said six (6) years;

13         14. This Consent Order may be revoked and the Department may pursue any  
14          and all remedies available under law, if the Department later finds  
15          that LHF and Kemos knowingly or willfully withheld information used  
16          and relied upon in this Consent Order or violate this Consent Order.

17         15. This Consent Order is binding on all heirs, assigns, and/or successors  
18          in interest.

19         16. This Consent Order shall become effective upon the date the  
20          Commissioner signs this Consent Order.

21         17. Once this Consent Order is effective, the Department agrees not to  
22          seek further reimbursement, refunds, penalties, fines, costs, or fees  
23          regarding the facts, allegations, or findings of violations contained  
24          herein.

1 **WHEREFORE**, based on the foregoing, we have set our hands to this Consent  
2 Order, upon its execution by Ronald A. Wilbur, Bank Commissioner.

3  
4 Recommended this 29th day of January, 2012 by

5 \_\_\_\_\_  
/s/

6 Maryam Torben Desfosses, Hearings Examiner, Banking Department

7  
8 Executed this 6th day of February, 2012 by

9 \_\_\_\_\_  
/s/

10 James A. Kemos, on his own behalf and as owner of and on behalf of LHF Inc  
11 (d/b/a Pelham Auto Finance)

12  
13  
14 **SO ORDERED.**

15 \_\_\_\_\_  
/s/

16 Ronald A. Wilbur,  
17 Bank Commissioner

Dated: 02/10/12