

State of New Hampshire

State of New Hampshire
Banking Department

Docket # 10-087

v.

National Payday Loan (a/k/a National-paydayloan.com),

Order to Cease and Desist
and Show Cause

Respondent

Notice of Order to Cease and Desist and Show Cause (“Order”)

1. This Order commences an adjudicative proceeding under the provisions of RSA Chapter 399-A (including RSA 399-A:7, I and II, RSA 399-A:8, I and RSA 399-A:16, IV) and RSA Chapter 541-A.
2. The Commissioner may impose administrative fines up to a maximum of \$2,500.00 for each violation. RSA 399-A:18, V and VI.

Respondent

3. National Payday Loan (a/k/a National-paydayloan.com) (“Respondent”) is a company with a principal office location of 1959 Marine Drive Unit 0860, North Vancouver, BC, V7TP3G1, Canada, and 510 Boxwood Boulevard, Wilmington, DE 19808, and P.O. Box 88491, 418 Main Street, Vancouver, BC V6A4A7, Canada and P.O. Box 7221 Thorndale, PA 19372. Respondent is a “Person.” RSA 399-A:1, XII.
4. The New Hampshire Banking Department’s (“Department”) records indicate that Respondent has never held a New Hampshire Small Loan Lender license.

Right to a Hearing

5. Respondent has the right to request a hearing of this Order. A hearing shall be held not later than ten (10) days after the Commissioner receives the Respondent’s written request for a hearing. The Respondent may request a hearing and waive the ten (10)

day hearing requirement. The hearing shall comply with RSA Chapter 541-A, RSA 399-A:7, I and II and RSA 399-A:8, I.

6. If any person fails to request a hearing within thirty (30) days of receiving this Order, then such person shall likewise be deemed in default, and the Order shall, on the thirty-first (31st) day, become permanent, all allegations may be deemed true, and shall remain in full force and effect until modified or vacated by the Commissioner for good cause shown. RSA 399-A:7, I and II and RSA 399-A:8, I.
7. A default may result in administrative fines as described in Paragraph 2 above.

Statement of Allegations

8. On July 23, 2010, the Department received a complaint against Respondent from a New Hampshire consumer (“Consumer A”) concerning unlicensed payday loan lending.
9. In early 2010, Respondent had contracted with Consumer A for a \$200.00 loan. The loan carried an annual percentage rate of 782.14% and a \$60.00 finance charge, in violation of RSA 399-A:11, XI, RSA 399-A:13, I, and RSA 399-A:13, XX.
10. Once Respondent deposited the \$200.00 loan into Consumer A’s bank account, Consumer A attempted to return the money to Respondent via money order. Respondent refused to give Consumer A an address to send the funds, in violation of RSA 399-A:13, XVIII.
11. Respondent operates the website “national-paydayloan.com,” which offers New Hampshire consumers payday loans over the internet without a license, in violation of RSA 399-A:2, I.
12. On September 15, 2010, the Department sent Respondent a letter via facsimile, email and U.S. Certified Mail return receipt requested requesting an application for licensure, a list of Respondent’s New Hampshire consumers and resolution of

Consumer A's and complaint. Respondents received the facsimile and email letters on September 15, 2010.

13. On March 15, 2011, the Department sent Respondent a second letter via facsimile, U.S. First Class Mail requesting an application for licensure, a list of Respondent's New Hampshire consumers and resolution of Consumer A's and complaint. Respondents received the facsimile letter on March 15, 2011.
14. To date Respondent has failed to respond to both the Department's September 15, 2010 and the March 15, 2011 correspondence.
15. To date, Respondent has not applied with the Department for a Small Loan Lender license.
16. To date, Respondent has failed to provide the documentation requested by the Department, in violation of RSA 399-A:10, II.

Alleged Violations:

Respondent National Payday Loan:	1 Counts for unlicensed activity as a small loan lender; RSA 399-A:2, I
	1 Count for charging additional fees on a payday loan; RSA 399-A:11, XI; RSA 399-A:13, I
	1 Count for issuing a payday loan at higher than permitted APR; RSA 399-A:13, XX
	1 Count for failure to accept payment prior to maturity on a payday loan. RSA 399-A:13, XVIII
	2 Counts for failure to produce requested documents; RSA 399-A:10, II

Respectfully submitted,

_____/s/
Raef J. Granger
Hearings Examiner
N.H. Banking Department

04/08/11
Date

Order

17. I hereby find as follows:

- a. Pursuant to RSA 399-A:7, II, the facts as alleged above, if true, show Respondent is operating or has operated in violation of RSA Chapter 399-A and form the legal basis for this Order;
- b. Pursuant to RSA 399-A:16, VI, this Order is necessary and appropriate to the public interest and for the protection of consumers and consistent with the purpose of New Hampshire banking laws;
- c. Pursuant to RSA 399-A:8, I, reasonable cause exists to issue an order to cease and desist;
- d. Pursuant to RSA 399-A:7, I and RSA 399-A:8, I, if Respondent fails to respond to this Order and/or default then all facts as alleged herein are deemed as true.

18. Accordingly, it is hereby ORDERED that:

- a. Respondent shall immediately cease and desist from violating RSA Chapter 399-A and rules or orders thereunder;
- b. Respondent shall within fourteen (14) days of the date of this Order provide to the Department a list of all New Hampshire consumers for whom Respondent has conducted or contracted to conduct payday loan or other small loan activities. This list must include the names and contact information of the New Hampshire consumers, along with all monies

charged, collected and waived (if applicable). The list shall also be accompanied by all contracts, checks to and from the consumer and any other documents in the New Hampshire consumers' files;

- c. Respondent shall show cause why the Commissioner should not enter an order for disgorgement of finance charges, delinquencies or collection charges;
- d. Respondent shall show cause why the Commissioner should not recover costs for investigation of this matter in the minimum amount of \$2,250.00;
- e. Respondents shall show cause why administrative fines totaling \$15,000.00 should not be imposed; and
- f. Nothing in this Order shall prevent either 1) the Department from taking any further administrative and legal action as necessary under New Hampshire law or 2) the New Hampshire Office of the Attorney General from bringing an action against the above-named Respondent in any New Hampshire superior court, with or without prior administrative action by the Commissioner.

SO ORDERED,

Entered this April 8, 2011.

/s/

By Robert A. Fleury, Deputy Bank Commissioner
New Hampshire Banking Department