

State of New Hampshire

State of New Hampshire
Banking Department

v.

DJR Group, LLC,

Respondent

Docket # 10-115

**Order to Cease and Desist
and Show Cause**

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. DJR Group, LLC (“Respondent”) is a company with a principal office location in the Federation of St. Kitts and Nevis and the Better Business Bureau has an address of 5700 Broadmoor Street, Mission, Kansas 66202. 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 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 Alleged Facts

8. On May 10, 2010, the Department received a complaint against Respondent from a New Hampshire consumer (“Consumer A”) concerning unlicensed payday loan lending.
9. In April of 2010, Respondent, without the authorization of Consumer A, had deposited \$250.00 into Consumer A’s checking account and then attempted to automatically deduct “loan fees,” in violation of RSA 399-A:11, XI, RSA 399-A:13, I and RSA 399-A:13, XX.
10. Consumer A received no written documentation of a loan from Respondent, in violation of RSA 399-A:11, XIV, RSA 399-A:13, II and RSA 399-A:13, XVII.
11. Consumer A contacted Respondent and attempted to return the \$250.00 described in Paragraph 9. Respondent refused return of the money, and instead requested further bank account information from Consumer A.
12. On June 3, 2010, the Department received a complaint against Respondent from a second New Hampshire consumer (“Consumer B”) concerning unlicensed payday loan lending.
13. In August of 2009, Respondent had contracted with Consumer B for a \$250.00 loan. The loan carried an annual percentage rate of 782.14% and allowed for infinite

biweekly refinancing of the principal amount with a \$75.00 charge per refinancing, in violation of RSA 399-A:11, XI, RSA 399-A:13, I and RSA 399-A:13, XX.

14. Respondent charged Consumer B a \$75.00 service charge for origination of the loan.
15. Respondent refinanced Consumer B's loan at least seventeen (17) times and deducted a further \$1,275.00 from Consumer B's bank account, in violation of RSA 399-A:11, XI, RSA 399-A:13, I, RSA 399-A:13, XX and RSA 399-A:13, VII.
16. Consumer B received loan documentation that failed to meet the notice requirements of RSA 399-A:11, XIV, RSA 399-A:13, II and RSA 399-A:13, XVII.
17. Respondent is engaged in the business of offering New Hampshire consumers payday loans over the internet without a license, in violation of RSA 399-A:2, I.
18. On September 13, 2010, the Department sent Respondent a letter via facsimile requesting an application for licensure, a list of all New Hampshire consumers serviced by Respondent and resolution of Consumer A's and Consumer B's complaints.
19. On September October 29, 2010, Respondent's counsel replied to the Department's September 13, 2010 letter, stating that Respondent was not required to comply with the Department's requests for information nor required to obtain licensure in New Hampshire because it operates out of the country. Respondent's counsel also stated that Respondent "has ceased making new loans" to New Hampshire residents.
20. Respondent has addressed Consumer A's complaint by marking Consumer A's account paid in full. Respondent has addressed Consumer B's complaint by marking Consumer B's account paid in full and reaching a settlement agreement with Consumer B.
21. To date, Respondent has not applied for with the Department for a Small Loan Lender license.

22. To date, Respondent has failed to provide the documentation requested by the Department, in violation of RSA 399-A:10, II.

Alleged Violations:

Respondent DJR Group:	2 Counts for unlicensed activity as a small loan lender; RSA 399-A:2, I
	1 Count for failure to produce requested documents; RSA 399-A:10, II
	17 Counts for refinancing a payday loan; RSA 399-A:11, X; RSA 399-A:13, VII
	19 Counts for charging additional fees on a payday loan; RSA 399-A:11, XI; RSA 399-A:13, I
	19 Counts for issuing a payday loan at higher than permitted APR; RSA 399-A:13, XX
	2 Counts for failure to provide proper written loan agreements; RSA 399-A:13, II
	2 Counts for failure to notify buyers of payday loan purpose; RSA 399-A:13, XVII
	2 Counts for failure to notify buyer of right to file a consumer complaint with the Department. RSA 399-A:11, XIV

Respectfully submitted,

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

04/07/11
Date

Order

23. 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 have 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, II 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.

24. 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;

