

# State of New Hampshire

State of New Hampshire  
Banking Department

Docket # 10-143

v.

Payday Services (d/b/a for FFD  
Resources III, LLC), DFD Ventures LP,  
and First Fidelity of Delaware Inc.,

Order to Show Cause  
and Cease and Desist

Respondents

## 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.

## Respondents

3. Payday Services (d/b/a for FFD Resources III, LLC (“Respondent Payday”) is a limited liability company duly incorporated in the State of Nevada on December 1, 2005 with a principal office location of 711 S. Carson Street Suite 4, Carson City, NV 89701. Respondent Payday is a “Person.” RSA 399-A:1, XII.
4. The New Hampshire Banking Department’s (“Department”) records indicate that Respondent Payday has never held a New Hampshire Small Loan Lender license.
5. DFD Ventures LP (“Respondent DFD”) is the Managing Member of Respondent Payday and a limited partnership duly incorporated in the State of Nevada on December 1, 2005 with a principal office location of 711 S. Carson Street Suite 4, Carson City NV 89701. Respondent DFD is a Direct Owner (RSA 399-A:1, III-b), a

Principal (RSA 399-A:1, XIII), a Control person (RSA 399-A:18, VI) and a Person (RSA 399-A:1, XII).

6. The Department's records indicate that Respondent DFD has never held a New Hampshire Small Loan Lender license.
7. First Fidelity of Delaware Inc. ("Respondent First Fidelity") is a corporation duly incorporated in the State of Delaware on November 18, 2003. Respondent First Fidelity is the Direct Owner of Respondent DFD and is the Indirect Owner of Respondent Payday. Respondent First Fidelity is a Direct Owner (RSA 399-A:1, III-b), an Indirect Owner (RSA 399-A:1, V-a), a Principal (RSA 399-A:1, XIII), a Control person (RSA 399-A:18, VI) and a Person (RSA 399-A:1, XII).
8. The above-named Respondents are hereinafter collectively called "Respondents."

#### **Right to a Hearing**

9. Respondents have the right to request a hearing of this Order. A hearing shall be held not later than ten (10) days after the Commissioner receives each Respondent's written request for a hearing. Respondents 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.
10. 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 (31<sup>st</sup>) 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.
11. A default may result in administrative fines as described in Paragraph 2 above.

#### **Statement of Allegations**

12. On March 27, 2009, the Department received a complaint against Respondents

from a New Hampshire consumer (“Consumer A”) concerning unlicensed payday loan lending.

13. On January 16, 2009, Respondents issued a payday loan in the amount of \$500.00 to Consumer A, in violation of RSA 399-A:2, I.
14. The January 16, 2009 loan required Consumer A to pay a finance charge of \$150.00 and to repay the loan at an APR of 1095%, in violation of RSA 399-A:11, XI, RSA 399-A:13, I and RSA 399-A:13, XX.
15. Respondents operate a website at “paydayservices.com” that offered payday loans to New Hampshire consumers. The website now states that “Payday Services is no longer making new loans.”
16. On September 17, 2010, the Department sent a letter via U.S. Certified Mail return receipt requested to Respondents requesting an application for licensure, a New Hampshire loan list, and resolution of Consumer A’s complaint. Respondents received this letter on September 22, 2010.
17. To date, Respondents have failed to respond to the Department’s requests for information, in violation of RSA 399-A:10, II.

#### **Alleged Violations**

Respondent FFD:

1 Count for unlicensed activity as a small loan lender (payday loan)  
RSA 399-A:2, I

1 Count for issuing a payday loan at higher than permitted APR  
RSA 399-A:13, XX

1 Count for charging additional fees on a payday loan  
RSA 399-A:11, XI and RSA 399-A:13, I



- d. Pursuant to RSA 399-A:7, II and RSA 399-A:8, I, if Respondents fail to respond to this Order and/or default then all facts as alleged herein are deemed as true.

**19. Accordingly, it is hereby ORDERED that:**

- a. Respondents shall immediately cease and desist from violating RSA Chapter 399-A and rules or orders thereunder;
- b. Respondents shall within fourteen (14) days of the date of this Order provide to the Department a list of all New Hampshire consumers for whom Respondents have 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. Respondents shall show cause why the Commissioner should not enter an order for disgorgement of finance charges, delinquencies or collection charges in the amount of a minimum of \$500 (Consumer A);
- d. Respondents 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 \$10,000.00 per Respondent 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 Respondents in any New Hampshire

superior court, with or without prior administrative action by the  
Commissioner.

**SO ORDERED,**

Entered this April 11, 2011.

/s/

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