

In re Michaud Motors, LLC, North Shore Auto, LLC
Kevin P. Michaud, as a manager of Michaud Motors, LLC, and
Jeffrey J. Chizmas, as a manager of Michaud Motors, LLC.

Case No. 12-468

CONSENT ORDER

The State of New Hampshire Banking Department, acting in agreement with the respondents, Michaud Motors, LLC, North Shore Auto, LLC, Kevin P. Michaud, as a manager of Michaud Motors, LLC, and Jeffrey J. Chizmas, as a manager of Michaud Motors, LLC finds and orders as follows:

Background

On November 8, 2012, the Department received a complaint from Consumer A against the respondents. The complaint alleged that in response to an advertisement, Consumer A went to the respondents' car dealership and entered into an agreement to purchase a 2006 Jeep Commander. Consumer A completed a credit application and traded in her 1999 Dodge Caravan to finance her purchase of the Jeep. Consumer A further alleged that in the course of completing the credit application, an employee or agent of the respondents altered the credit application to indicate that A's income was \$2,466 per month, when in fact her income was \$700 per month. Upon receipt of Consumer A's complaint, the Department investigated these allegations.

On July 15, 2013, the Department issued an Order to Show Cause against the respondents. The Order to Show Cause alleged that the respondents had: (1) knowingly or negligently engaged in an act, practice, or course of business which operated as a fraud or deceit upon a person when its agents and/or employees misstated Consumer A's income on a credit application and submitted that application to Santander; and (2) knowingly or negligently failed to supervise its agents, managers, or employees when its agents, managers, or employees misstated Consumer A's income on a credit application. The Order to Show Cause included a Notice of Right to a Hearing.

The respondents, through counsel, requested a hearing in the matter. The respondents surrendered their retail seller license with the Department in September 2013. Subsequently, the Department and the respondents entered into negotiations to settle this matter amicably. Consumer A intervened in this matter with the assent of the parties and also entered into settlement negotiations. The parties have reached the following resolution of this matter.

Consent and Acknowledgments

1. The respondents have voluntarily entered into this Consent Order without reliance upon any discussions between the Department and the respondents, without the promise of a benefit of any kind (other than the concessions contained in this Consent Order), and without threats, force, intimidation, or coercion of any kind.
2. The respondents acknowledge their understanding of the nature of the allegations set forth in this proceeding, including the potential penalties provided by law.
3. The respondents acknowledge, understand, and agree that they have the right to notice, hearing, civil action, and/or appeal, and hereby waive those rights.
4. The respondents represent and warrant that they have all the necessary rights, powers, and abilities to carry out all of the terms of this Consent Order that are applicable to the respondents.
5. The respondents acknowledge that the Department is relying upon the respondents' representations and warranties herein in making its determination in this matter.

Order

Pursuant to RSA 361-A:5, VI, the Bank Commissioner finds this Consent Order necessary or appropriate to the public interest and consistent with the purposes fairly intended by the policy and provisions of this title. Accordingly, the Bank Commissioner orders as follows:

1. The respondents shall comply with RSA Chapter 361-A, and any rules or orders under RSA Chapter 361-A.
2. The respondents shall pay an administrative fine in the amount of \$1,000. See generally RSA 361-A:11.
3. The respondents shall pay Consumer A restitution in the amount of \$2,000.
4. This Consent Order may be revoked and the Department may pursue any and all remedies available under the law against the respondents if the Department later finds that the respondents knowingly or willfully withheld information from the Department.
5. This Consent Order is binding on all heirs, assigns, and/or successors in interest.
6. This Consent Order shall become effective upon the date the Bank Commissioner signs this Consent Order, provided that the Department has confirmed receipt of payments referenced in paragraph 2 and paragraph 3.

Recommended by:

_____/s/_____
Emelia A.S. Galdieri
Hearings Examiner
New Hampshire Banking Department

11/15/13
Date

Executed this 9th day of November 2013 by:

_____/s/_____
Jennifer Gebala, Consumer A

Executed this 8th day of November 2013 by:

Kevin Michaud
(Printed Name)
Representative of Michaud Motors, LLC

/s/
(Signature)

Executed this 8th day of November 2013 by:

Kevin Michaud
(Printed Name)
Representative of North Shore Auto, LLC

/s/
(Signature)

Executed this 8th day of November 2013 by:

/s/
Kevin P. Michaud, Manager of Michaud Motors, LLC

Executed this 8th day of November 2013 by:

/s/
Jeffrey J. Chizmas, Manager of Michaud Motors, LLC

