

In re Claremont Ford Lincoln, Inc.,  
and Arrien L.C. Schiltkamp, individually  
and as President of Claremont Ford Lincoln, Inc.

Case No.: 15-076

**ORDER TO SHOW CAUSE**

Now comes the State of New Hampshire Banking Department (the “Department”) and the Bank Commissioner (the “Commissioner”), commencing an adjudicative proceeding under the provisions of RSA Chapter 361-A and RSA Chapter 541-A against the respondents, Claremont Ford Lincoln, Inc. (“Claremont Ford”) and Arrien L.C. Schiltkamp, individually and as President of Claremont Ford.

**RESPONDENTS**

1. Claremont Ford is a corporation registered with the New Hampshire Secretary of State on October 31, 2000 with a principal office location in Claremont, New Hampshire. Claremont Ford is licensed by the Department as a New Hampshire Retail Seller.
2. Mr. Schiltkamp is the 100% owner and President of Claremont Ford. Mr. Schiltkamp is presumed to control Claremont Ford under RSA 361-A:1, III-b.

**JURISDICTION**

The Department licenses and regulates persons “engag[ing] in the business of a sales finance company or a retail seller in this state.” RSA 361-A:2, I. “The commissioner may issue an order requiring a person to whom any license has been granted . . . to show cause why the license should not be revoked or penalties should not be imposed, or both, for violations of this chapter.” RSA 361-A:3, I.

## FACTS

1. On March 20, 2009, after addressing four complaints from consumers against Claremont Ford, Respondents were advised in writing that, effective January 1, 2009, New Hampshire law, RSA 361-A:10-c, requires that liens on consumer trade-in vehicles be paid off within twenty-one calendar days of the date of sale.

2. In 2011, the Department conducted an examination, which revealed that between 2010 and 2011, Claremont Ford failed to pay off sixty-three consumer liens on trade-in vehicles within twenty-one calendar days of the date of sale, as required by law.

3. On June 28, 2012, the Department entered into a consent order with Claremont Ford for failing to timely remit payment on those sixty-three motor vehicle liens, in violation of RSA 361-A:10-c. Under the terms of that consent order, Claremont Ford agreed to: (1) pay an administrative fine; (2) pay the Department an investigation fee; (3) bring Claremont Ford into a positive net worth or obtain a continuous surety bond; and (4) submit to examination by the Department.

4. In April and May 2015, the Department received two consumer complaints indicating that Claremont Ford failed to pay off the outstanding liens on trade-in vehicles within twenty-one calendar days, as prescribed by RSA 361-A:10-c.

5. In response to the complaints, on May 13-14, 2015, the Department conducted an on-site examination of Claremont Ford and discovered that since January 2014, Claremont Ford failed to pay off the outstanding liens on approximately 106 trade-in vehicles within the timeframe prescribed by RSA 361-A:10-c. As of the date of the examination, twenty-eight of the liens remained unpaid and past due.

6. On May 21, 2015, the Department entered into a consent order with Claremont Ford and Mr. Schiltkamp. Under the terms of that consent order, Mr. Schiltkamp and Claremont

Ford agreed, among other terms, to: “ inject sufficient cash into Respondent Claremont Ford to create a positive net worth within 30 days of the effective date of this Consent Order;” “provide a cash pledge for \$500,000.00 or a \$1,000,000.00 surety bond to the Department within 30 days of the effective date of this Consent Order;” and “immediately pay off any outstanding motor vehicle liens due . . . by May 28, 2015.” Consent Order, ¶¶ 3, 4, 7. However, Mr. Schiltkamp and Claremont Ford have not complied with terms of the consent order.

7. On May 29, 2015, after Mr. Schiltkamp and Claremont Ford failed to pay off the outstanding liens, the Department ordered an immediate suspension of Claremont Ford’s retail seller license.

8. The hearing on the immediate suspension of Claremont Ford’s retail seller license was scheduled for June 12, 2015. On that date, prior to the hearing, Mr. Schiltkamp requested and was granted a continuance. Claremont Ford’s suspension remains in effect.

9. Since May 21, 2015, the Department has received an additional eight consumer complaints and more than fifteen consumer phone calls concerning Claremont Ford’s failure to pay off liens on trade-in vehicles.

10. Recently, the Department learned that Claremont Ford has not been paying its employees and Respondents are litigating Ford Motor Credit’s attempt to seize the dealership’s inventory.

11. In addition, Respondents have failed to bring Claremont Ford back into a position of positive net worth and failed to provide the cash pledge or surety bond by June 22, 2015, as required by the consent order.

12. The consent order provides, “Any violation of this Consent Order shall be cause for immediate revocation of Claremont Ford’s Retail Seller license.” Consent Order, ¶ 2.

13. Besides owning Claremont Ford, Arrien Schiltkamp is sole owner of White Mountain Carriage Company, LLC d/b/a Suzuki of Manchester d/b/a Gold Street Autocenter (“White Mountain”), with a principal office location on 766 Gold Street in Manchester, New Hampshire.

14. Mr. Schiltkamp and White Mountain have been engaging in practices similar to Claremont Ford by failing to pay off liens on trade-in vehicles within the time period prescribed by law and are subject to a similar show cause order, which is being filed concurrently with the instant order.

15. Both Claremont Ford and White Mountain are owned by the same individual, Arrien Schiltkamp, both businesses have been engaging in the same activities around failing to pay off trade-in liens and both are operating at significant losses. In light of the extensive nature of the violations, the apparent lack of candor during the examination process and the company’s worsening financial position, the Commissioner finds that license revocation with penalties is warranted for the protection of consumers.

#### **FINDINGS**

Based on the above information, the Commissioner finds that this order to show cause why Claremont Ford’s retail seller license should not be revoked, with penalties, is in the public interest.

The facts as alleged above, if true, show that the respondents violated the following provisions of RSA Chapter 361-A:

- a. RSA 361-A:10-c, I: Mr. Schiltkamp and Claremont Ford have repeatedly failed to pay off consumers’ liens on trade-in vehicles within twenty-one calendar days

of the date of sale, constituting 106 violations of RSA 361-A:10-c, I since January 2014 and twenty-eight violations since May 2015;

- b. RSA 361-A:11, VII: Such failure to pay off consumers' trade-in liens has been knowing;
- c. RSA 361-A:11, VIII: Mr. Schiltkamp, individually and as owner of Claremont Ford, has knowingly or negligently materially aided in the acts resulting in failure to pay off consumers' trade-in liens;
- d. RSA 361-A:11, V: Mr. Schiltkamp and Claremont Ford have knowingly violated at least three provisions of the consent order, entered into on May 21, 2015;
- e. RSA 361-A:3, I-a (h): Mr. Schiltkamp and Claremont Ford have engaged in dishonest or unethical practices in the conduct of making retail installment transactions;
- f. RSA 361-A:3, I-a (g): Mr. Schiltkamp and Claremont Ford are not qualified for licensure on the basis of financial integrity; and

### **ORDER**

THEREFORE, IT IS ORDERED that Respondents show cause why Claremont Ford's retail seller license should not be revoked for violating RSA 361-A:10-c, I, RSA 361-A:11, V, RSA 361-A:11, VII, RSA 361-A:11, VIII, RSA 361-A:3, I-a (g)-(h) and the Consent Order dated May 21, 2015; and

IT IS FURTHER ORDERED that Claremont Ford shall be liable for an administrative fine of \$265,000.00 for knowingly or negligently violating RSA 361-A:10-c, I, RSA 361-A:11, V and RSA 361-A:11, VII; and

IT IS FURTHER ORDERED that Mr. Schiltkamp shall be liable for an administrative fine of \$265,000.00 for knowingly or negligently violating RSA 361-A:10-c, I, RSA 361-A:11, V and RSA 361-A:11, VIII; and

IT IS FURTHER ORDERED that Respondents shall have the opportunity for a hearing on this Order by requesting, in writing, a hearing within thirty calendar days of receipt or valid delivery of this Order, pursuant to RSA 361-A:3, I; and

IT IS FURTHER ORDERED that, pursuant to RSA 361-A:3, I, if Respondents do not request a hearing as provided above, within thirty calendar days of receipt or valid delivery of this order, then Respondents shall be deemed in default, and this order shall, on the thirty-first day, become permanent, and shall remain in full force and effect until and unless later modified or vacated by the commissioner, for good cause shown.; and

IT IS FURTHER ORDERED that nothing herein shall prevent: 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:**

06/26/15  
Date

/s/  
Ingrid E. White  
Deputy Bank Commissioner  
State of New Hampshire  
Banking Department

**CERTIFICATE OF SERVICE**

I, Rosemary Wiant, hereby certify that on 06/26/15, a copy of this Order to Show Cause was sent to the following parties via U.S. Certified Mail First Class and electronic mail:

Claremont Ford Lincoln, Inc.  
366 Washington Street  
Claremont NH 03743

Mr. Arrien Schiltkamp, Owner  
Claremont Ford Lincoln, Inc.  
366 Washington Street  
Claremont NH 03743

arrien@schiltkamp.com

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/s/  
Rosemary Wiant  
Hearings Examiner  
State of New Hampshire  
Banking Department