

1 State of New Hampshire Banking Department

2 In re the Matter of:) Case No.: 09-064
)
 3 State of New Hampshire Banking)
 4 Department,) Order to Show Cause
)
 5 Petitioner,)
)
 6 and)
)
 7 Karzman Credit Corp (d/b/a Classic Car)
)
 8 Financial), George Lussier, and Stephen)
)
 9 P. Lussier,)
)
 10 Respondents)

11 NOTICE OF ORDER

12 This Order commences an adjudicative proceeding under the provisions
13 of RSA Chapter 361-A and RSA Chapter 541-A.

14 LEGAL AUTHORITY AND JURISDICTION

15 Pursuant to RSA 361-A:3, the Banking Department of the State of New
16 Hampshire (hereinafter the "Department") has the authority to issue an order
17 to show cause why license revocation and penalties for violations of New
18 Hampshire Banking laws should not be imposed.

19 Pursuant to RSA 361-A:5, the Commissioner may issue, amend, or rescind
20 such orders as are reasonably necessary to comply with the provisions of the
21 Chapter.

22 Pursuant to RSA 361-A:11,VII the Commissioner has the authority to
23 suspend, revoke or deny any license and to impose administrative penalties
24 of up to \$2,500.00 for each violation of New Hampshire banking law and
25 rules.

1 Pursuant to RSA 383:10-d, the Commissioner shall investigate conduct
2 that is or may be an unfair or deceptive act or practice under RSA Chapter
3 358-A and exempt under RSA 358-A:3,I or that may violate any of the
4 provisions of Titles XXXV and XXXVI and administrative rules adopted
5 thereunder. The Commissioner may hold hearings relative to such conduct and
6 may order restitution for a person or persons adversely affected by such
7 conduct.

8 **NOTICE OF RIGHT TO REQUEST A HEARING**

9 The above named Respondents have the right to request a hearing on
10 this Order to Show Cause, as well as the right to be represented by counsel
11 at each Respondent's own expense. All hearings shall comply with RSA Chapter
12 541-A. Any such request for a hearing shall be in writing, and signed by the
13 Respondent or the duly authorized agent of the above named Respondent, and
14 shall be delivered either by hand or certified mail, return receipt
15 requested, to the Banking Department, State of New Hampshire, 53 Regional
16 Drive, Suite 200, Concord, NH 03301. Such hearings will be scheduled within
17 10 days of the Department's receipt of the request. If the Respondent fails
18 to appear at the hearing after being duly notified, such person shall be
19 deemed in default, and the proceeding may be determined against the Respondent
20 upon consideration of the Order to Show Cause, the allegations of which may be
21 deemed to be true.

22 If any of the above named Respondents fails to request a hearing within
23 30 calendar days of receipt of such order or reach a formal written and
24 executed settlement with the Department within that time frame, then such
25 person shall likewise be deemed in default, and the orders shall, on the

1 thirty-first day, become permanent, and shall remain in full force and effect
2 until and unless later modified or vacated by the Commissioner, for good cause
3 shown.

4 STATEMENT OF ALLEGATIONS, APPLICABLE LAWS AND REQUEST FOR RELIEF

5 The Staff Petition dated July 31, 2009 (a copy of which is attached
6 hereto) is incorporated by reference hereto.

7 ORDER

8 WHEREAS, finding it necessary and appropriate and in the public
9 interest, and consistent with the intent and purposes of the New Hampshire
10 banking laws; and

11 WHEREAS, finding that the allegations contained in the Staff Petition,
12 if proved true and correct, form the legal basis of the relief requested;

13 It is hereby ORDERED, that:

- 14 1. Respondent Karzman Credit Corp (d/b/a Classic Car Financial)
15 ("Respondent Karzman") shall show cause why penalties in the
16 amount of \$2,500.00 should not be imposed against it;
- 17 2. Respondent George Lussier ("Respondent G. Lussier") shall
18 show cause why penalties in the amount of \$5,000.00 should
19 not be imposed against him;
- 20 3. Respondent Stephen P. Lussier ("Respondent S. Lussier") shall
21 show cause why penalties in the amount of \$5,000.00 should
22 not be imposed against him;
- 23 4. The above named Respondents shall show cause why, in addition
24 to the penalties listed in Paragraphs 1 through 3 above, the
25 \$500.00 examination fee should not be paid to the Department;

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8 Financial), George Lussier, and Stephen)
9 P. Lussier,)
10 Respondents)

11 I. STATEMENT OF ALLEGATIONS

12 The Staff of the Banking Department, State of New Hampshire (hereinafter
13 "Department") alleges the following facts:

14 Facts Common on All Counts:

- 15 1. Respondent Karzman Credit Corp (d/b/a Classic Car Financial)
16 (hereinafter "Respondent Karzman") was licensed as a Sales
17 Finance Company from at least 1999 until its license was revoked
18 on March 14, 2008.
- 19 2. Respondent George Lussier (hereinafter "Respondent G. Lussier")
20 was the President of Respondent Karzman, when licensed by the
21 Department.
- 22 3. Respondent Stephen P. Lussier (hereinafter "Respondent S.
23 Lussier") was the Vice President of Respondent Karzman, when
24 licensed by the Department.

1 Violation of RSA 361-A:6-a,IV Failure to Pay Examination Fee (1 Count):

2 Violation of RSA 361-A:2-b,VI Failure of Officer and Owner to Respond to

3 Department Inquiries (1 Count):

4 4. Paragraphs 1 through 3 are hereby realleged as fully set forth
5 herein.

6 5. The Department conducted an examination of Respondent Karzman on
7 September 17, 2007, while Respondent Karzman was still licensed
8 with the Department.

9 6. Respondents failed to facilitate the examination.

10 7. On December 26, 2007, the Department mailed the invoice for
11 \$500.00 to Respondent Karzman, via U.S. Certified Mail Return
12 Receipt requested, which Respondents received on January 3, 2008.

13 8. The Department, via U.S. mail, mailed a second notice on January
14 3, 2008 and a third notice on February 5, 2008.

15 9. To date, the above named Respondents have failed to respond to the
16 Department correspondence concerning the \$500.00 examination
17 invoice.

18 10. To date, the above named Respondents still owe the \$500.00
19 examination fee for the one day examination.

20 **II. ISSUES OF LAW**

21 The staff of the Department alleges the following issues of law:

22 1. The Department realleges the above stated facts in Paragraphs 1
23 through 10 as fully set forth herein.

24 2. The Department has jurisdiction over the licensing and regulation
25 of persons engaged in retail seller and sales finance activities

1 pursuant to NH RSA 361-A:2.

2 3. RSA 361-A:2-b,VI provides that any officer, owner, manager or
3 agent of any licensee shall reply promptly in writing, or other
4 designated form, to any written inquiry from the Commissioner.
5 Respondent G. Lussier and Respondent S. Lussier each violated this
6 provision on at least one occasion as alleged above.

7 4. RSA 361-A:6-a,IV provides that the expense of such examination
8 shall be chargeable to and paid by the licensee. Each of the
9 above named Respondents violated this provision on at least one
10 occasion as alleged above. To date, the above named Respondents
11 have failed to pay the \$500.00 examination invoice.

12 5. RSA 361-A:3,I provides that the Commissioner may issue an order
13 requiring a person to whom any license has been granted or any
14 person under the Commissioner's jurisdiction to show cause why the
15 license should not be revoked or penalties should not be imposed,
16 or both, for violations of this chapter.

17 6. RSA 361-A:3,I-a provides that the Commissioner may, by order,
18 revoke any license if the Commissioner finds that the order is in
19 the public interest and the respondent, or licensee, any partner,
20 officer, member, or director, any person occupying a similar
21 status or performing similar functions, or any person directly or
22 indirectly controlling the respondent, or licensee, has among
23 other types of violations, violated RSA Chapter 361-A or any rule
24 or order thereunder.

25 7. RSA 361-A:11, VII provides that any person who, either knowingly

1 or negligently, violates any provision of RSA Chapter 361-A, may
2 upon hearing, and in addition to any other penalty provided for by
3 law, be subject to an administrative fine not to exceed \$2,500.00,
4 or both. Each of the acts specified shall constitute a separate
5 violation, and such administrative action or fine may be imposed
6 in addition to any criminal penalties or civil liabilities imposed
7 by New Hampshire Banking laws.

8 8. RSA 361-A:11,VIII provides that every person who directly or
9 indirectly controls a person liable under this section, every
10 partner, principal executive officer or director of such person,
11 every person occupying a similar status or performing a similar
12 function, every employee of such person who materially aids in the
13 act constituting the violation, and every licensee or person acting
14 as a common law agent who materially aids in the acts constituting
15 the violation, either knowingly or negligently, may, upon notice
16 and opportunity for hearing, and in addition to any other penalty
17 provided for by law, be subject to suspension, revocation, or
18 denial of any registration or license, including the forfeiture of
19 any application fee, or the imposition of an administrative fine
20 not to exceed \$2,500, or both. Each of the acts specified shall
21 constitute a separate violation, and such administrative action or
22 fine may be imposed in addition to any criminal or civil penalties
23 imposed.

1 **III. RELIEF REQUESTED**

2 The staff of the Department requests the Commissioner take the following
3 action:

- 4 1. Find as fact the allegations contained in section I of this Staff
5 Petition;
- 6 2. Make conclusions of law relative to the allegations contained in
7 section II of this Staff Petition;
- 8 3. Find the Commissioner's order to be in the public interest;
- 9 4. Assess fines and administrative penalties in accordance with RSA
10 361-A:11, for violations of RSA Chapter 361-A, in the number and
11 amount equal to the violations set forth in section II of this
12 Staff Petition; and
- 13 5. Take such other administrative and legal actions as necessary for
14 enforcement of the New Hampshire Banking Laws, the protection of
15 New Hampshire citizens, and to provide other equitable relief.

16 **IV. RIGHT TO AMEND**

17 The Department reserves the right to amend this Staff Petition and to
18 request that the Commissioner take additional administrative action.
19 Nothing herein shall preclude the Department from bringing additional
20 enforcement action under RSA Chapter 361-A or the regulations thereunder.

21 Respectfully submitted by:

22 _____
23 /s/ Maryam Torben Desfosses
24 Hearings Examiner

07/31/09

Date