

State of New Hampshire

**State of New Hampshire
Banking Department**

Docket # 09-192

v.

**Little Loan Shoppe America,
LLC d/b/a littleloanshoppe.com,
and Doris Nelson,**

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

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, II 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.

Respondents

3. Little Loan Shoppe America, LLC d/b/a littleloanshoppe.com (“Respondent Little Loan Shoppe”) is a corporation duly incorporated in the State of Washington with a principal office location of 90 West 500 South #2001, Bountiful, UT 84010. Respondent Little Loan Shoppe is a “Person.” RSA 399-A:1, XII.
4. The New Hampshire Banking Department’s (“Department”) records indicate that Respondent Little Loan Shoppe has never held a New Hampshire small loan lender license pursuant to RSA 399-A:2, I.
5. Doris Nelson (“Respondent Nelson”) is an owner and member of Respondent Little Loan Shoppe with a contact address of 1801 W. Broadway #201, Spokane, WA 99201. Respondent Nelson is a Direct Owner (RSA 399-A:1, III-b), a Control person

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

6. The Department's records indicate that Respondent Nelson has never held a New Hampshire small loan license pursuant to RSA 399-A:2, I.
7. Respondent Little Loan Shoppe and Respondent Nelson are hereinafter collectively called "Respondents."

Right to a Hearing

8. 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 the Respondents' written request for a hearing. The Respondents may request a hearing and waive the ten (10) day hearing requirement. The hearing shall comply with RSA 541-A and RSA 399-A:8, I.
9. 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, II and RSA 399-A:8, I.
10. A default may result in administrative fines as described in Paragraph 2 above.

Statement of Allegations

11. In May of 2008, Respondents contracted with a New Hampshire consumer ("Consumer A") to provide a payday loan in the amount of \$500.00 at an approximate A.P.R. of 520%.
12. Consumer A repaid this loan, remitting a total of \$1,500.00 to Respondents over a period of twenty (20) weeks.

13. Later in 2008, Respondents contracted with Consumer A to provide another payday loan in the amount of \$500.00, this time at an approximate A.P.R. of 780%.
14. Consumer A repaid this second loan, remitting a total of \$3,500.00 to Respondents over a period of forty (40) weeks.
15. On December 8, 2008, the Department received a complaint from Consumer A against Respondents concerning unlicensed payday loan lending.
16. Respondents operate a website at “www.littleloanshoppe.com” that offers payday loans to consumers, including New Hampshire consumers.
17. On January 26, 2009, the Department sent a letter via U.S. Certified Mail return receipt requested to Respondents, requesting that they obtain licensure pursuant to RSA 399-A and respond to Consumer A’s complaint. On February 18, 2009, the Department received a response from Respondents’ representative. The letter cited the choice of law provision of Respondents’ loan contract but provided none of the information requested by the Department.
18. On February 20, 2009, the Department sent a second letter via U.S. Certified Mail return receipt requested to Respondents, explaining that the loan contract’s choice of law did not preclude New Hampshire’s regulations under 399-A and requesting that Respondents address Consumer A’s complaint and provide information concerning Respondents’ New Hampshire customers. On February 26, 2009, the Department received a response from Respondents’ counsel, requesting further information concerning the Department’s requests.
19. On February 26, 2009, the Department contacted Respondents’ counsel by telephone and addressed his questions.
20. On March 3, 2009, the Department received a letter from Respondents’ counsel stating that Respondents would stop lending to New Hampshire consumers and

reimburse to Consumer A the interest paid on Consumer A's loans with Respondents.

21. On October 14, 2009, the Department sent a letter via U.S. Certified Mail return receipt requested to Respondents' counsel, again requesting information concerning Respondents' New Hampshire customers. Respondents' counsel received this letter on October 21, 2009.
22. To date, Respondents and Respondents' counsel have failed to respond.
23. To date, the Department has received no evidence that Respondents have made restitution to Consumer A.
24. To date, Respondents' website reads, "The operator of this website does not lend to residents of . . . New Hampshire . . . however if you do reside in one of these states, this site will match you with the best lender in your area based on the information you provide in your application."

Alleged Violations

Respondent Little Loan Shoppe:	3 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
	2 Counts for failure to notify borrower of right to file a consumer complaint with the Department;	RSA 399-A:11, XIV
	2 Counts for failure to provide proper written loan agreement;	RSA 399-A:13, II
	2 Counts for failure to notify borrower of payday loan usage.	RSA 399-A:13, XVII

Respondent Nelson (*as a control person, direct owner and principal*):

3 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

2 Counts for failure to notify borrower of right to file a consumer complaint with the Department;
RSA 399-A:11, XIV

2 Counts for failure to provide proper written loan agreement;
RSA 399-A:13, II

2 Counts for failure to notify borrower of payday loan usage.
RSA 399-A:13, XVII

Respectfully Submitted:

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

04/05/11
Date:

Order

1. I hereby find as follows:

- a. Pursuant to RSA 399-A:7, II, the facts as alleged above, if true, show Respondents are 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. If Respondents fail to respond to this Order and/or default then all facts as alleged herein are deemed as true.

2. 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 profits, fees and other charges;
- 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 up to the maximum amount of \$2,500.00 for each violation should not be imposed, for a total minimum fine of \$25,000.00 per Respondent;
- 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 8, 2011.

/s/

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