

In re: Arrowhead Motors, LLC,
Gregory P. Belisle, and Mark L. Limoges,
Respondents

Case No.: 14-061

NOTICE OF ORDER TO SHOW CAUSE FOR LICENSE REVOCATION OF

RESPONDENT ARROWHEAD MOTORS, LLC'S

NEW HAMPSHIRE RETAIL SELLER LICENSE

("ORDER")

1. This Order commences an adjudicative proceeding under the provisions of RSA Chapter 361-A (including RSA 361-A:3,I through IV, RSA 361-A:3-a, RSA 361-A:3-b, RSA 361-A:5,IV, and RSA 361-A:11,I through VIII), RSA 383:10-d, and RSA Chapter 541-A.
2. The Commissioner may issue an order requiring Respondents to cease and desist from violations of RSA Chapter 361-A and to show cause why the license should not be revoked. RSA 361-A:3,I and I-a(c), (d) and (h) and RSA 361-A:3-a,I.
3. The New Hampshire Banking Department ("Department") reserves its right pursuant to RSA 361-A:5,IV to amend this Order or issue or rescind such orders as are reasonably necessary to carry out the provisions of RSA Chapter 361-A.

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RESPONDENTS

4. Arrowhead Motors, LLC ("Respondent Arrowhead Motors") is a limited liability company formed in the State of New Hampshire on September 26, 2008 with a principal office location in Claremont, New Hampshire. Arrowhead Motors has been a licensed New Hampshire Retail Seller since August 20, 2013. Prior to August 20, 2013, Arrowhead Motors was a licensed New Hampshire Sales Finance Company. Arrowhead Motors is a Retail Seller and a Person. RSA 361-A:1,VIII and XII.
5. Gregory P. Belisle ("Respondent Belisle") is the 50% direct owner, control person and Member of Respondent Arrowhead Motors. Respondent Belisle is a Control person (RSA 361-A:1,III-b), a Direct Owner (RSA 361-A:1,III-d), a Principal (RSA 361-A:1,VIII-b), and a Person (RSA 361-A:1,VIII).
6. Mark L. Limoges ("Respondent Limoges") is the 50% direct owner, control person and Member of Respondent Arrowhead Motors. Respondent Limoges is a Control person (RSA 361-A:1,III-b), a Direct Owner (RSA 361-A:1,III-d), a Principal (RSA 361-A:1,VIII-b), and a Person (RSA 361-A:1,VIII).
7. The above-named Respondents are hereinafter collectively known as "Respondents."

RIGHT TO REQUEST A HEARING

8. Respondents each have a right to request a hearing on this Order. "A hearing, if requested shall be held not later than 10 calendar days after the request for such hearing is received by the commissioner. . . ." RSA 361-A:3-a,I. If the Respondents "fail[]" to request a hearing within 30 calendar days of receipt, then such person shall be deemed in default, and the 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." Id.
9. If any person fails to appear at the hearing, such person shall be deemed in default, and the Order shall 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. 541-A:31,V(a) and JUS 810.02.
10. A default herein may result in revocation of Respondents' New Hampshire Retail Seller license.

STATEMENT OF ALLEGATIONS

11. On March 24, 2014, the Department received a consumer complaint from Consumer A, who purchased a motor vehicle from Respondents on or about January 6, 2014.

Conditional Financing/Spot Delivery Form:

12. Respondents allowed Consumer A to take the vehicle without finalizing the financing. Consumer A sign two different forms (a Conditional Delivery Agreement and a Spot Delivery Agreement) and paid a \$1,000.00 down payment.
13. A conditional financing/spot delivery form required by RSA 361-A:10-b allows a consumer to take a vehicle with the understanding that if financing is not obtained, the retail installment contract is cancelled. The consumer must return the vehicle and the Retail Seller (here, Arrowhead Motors) shall return any consideration received in the transaction, including, but not limited to, any motor vehicle traded in, any deposit, and any fees paid by the consumer.
14. Though the required language does appear in the Conditional Delivery Agreement, Respondents violated RSA 361-A:10-b by failing to have the required language in the Spot Delivery Form.
15. Respondents also violated RSA 361-A:3-b,I(c) by refusing to refund Consumer A's down payment when Consumer A did not receive an approval for motor vehicle financing.

Falsified Down Payment and Restitution:

16. Consumer A stated Consumer A paid \$1,000.00 as a down payment on the motor vehicle.
17. The January 6, 2014 Buyer's Order and the Retail Installment Contract each indicated Consumer A placed a \$2,220.00 down payment.
18. It appears Respondents stated a \$2,220.00 down payment on the Retail Installment Contract so the sales finance company would approve the loan.
19. Respondents fraudulently prepared and submitted the January 6, 2014 Retail Installment Contract to the sales finance company, in violation of RSA 361-A:3-b, I(a) and (c).
20. Pursuant to both RSA 361-A:10-b and RSA 383:10-d, Consumer A is entitled to restitution in the amount of \$1,000.00 (Consumer A's down payment).

Revocation:

21. RSA 361-A:3, I-a(c) states the commissioner may, by order, revoke Respondent Arrowhead Motor's New Hampshire Retail Seller license if Respondents make fraudulent misrepresentations to borrowers under the provisions of RSA Chapter 361-A. Respondents provided Consumer A a Spot Delivery Agreement and refused to refund Consumer A's down payment as stated in the

ORDER

25. **I hereby find as follows:**

- a. Pursuant to RSA 361-A:3,I through IV and RSA 361-A:3-a,I, the facts as alleged above, if true, show Respondents are operating and have operated in violation of RSA Chapter 361-A and form the legal basis for this Order;
- b. Pursuant to both RSA 361-A:3,I-a(c), (d) and (h), and 361-A:5,VI, this Order is necessary and appropriate to the public interest and for the protection of consumers and consistent with the purpose and intent of New Hampshire banking laws;
- c. Pursuant to RSA 361-A:3-a,I, the Department finds reasonable cause to issue an order to cease and desist; and
- d. Pursuant to RSA 361-A:3,I through IV and RSA 361-A:3-a,I, if any Respondent fails to respond to this Order and/or defaults then all facts as alleged herein are deemed as true.

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

- a. Pursuant to RSA 361-A:3-a,I, Respondents shall cease and desist from violations of RSA Chapter 361-A; and
- b. Pursuant to RSA 361-A:3,I-a(c), (d) and (h),

Respondents shall show cause why Respondent Arrowhead Motors' New Hampshire Retail Seller license should not be revoked; and

c. Respondents shall show cause why an administrative fine of up to a maximum of \$2,500.00 per violation should not be imposed as follows:

(1). Respondent Arrowhead Motors, LLC:

Violation #1: Failure to Include Correct Language in Spot Delivery Form (RSA 361-A:10-b) - 1 Count; and

Violation #2: Failure to Refund Consumer's Down Payment (RSA 361-A:3-b,I(c)) - 1 Count; and

Violation #3: Fraudulent Down Payment Stated in Retail Installment Contract (RSA 361-A:3-b,I(a) and (c)) - 1 Count; and

(2). Respondent Gregory P. Belisle (as Direct Owner, Control Person and Member):

Violation #1: Failure to Include Correct Language in Spot Delivery Form (RSA 361-A:10-b) - 1 Count; and

Violation #2: Failure to Refund Consumer's Down Payment (RSA 361-A:3-b,I(c)) - 1 Count;

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and

Violation #3: Fraudulent Down Payment Stated in Retail Installment Contract (RSA 361-A:3-b,I(a) and (c)) - 1 Count; and

(3). Respondent Mark L. Limoges (as Direct Owner, Control Person and Member):

Violation #1: Failure to Include Correct Language in Spot Delivery Form (RSA 361-A:10-b) - 1 Count; and

Violation #2: Failure to Refund Consumer's Down Payment (RSA 361-A:3-b,I(c)) - 1 Count; and

Violation #3: Fraudulent Down Payment Stated in Retail Installment Contract (RSA 361-A:3-b,I(a) and (c)) - 1 Count; and

d. Pursuant to RSA 361-A:10-b, RSA 383:10-d, and RSA 361-A:3, Respondents shall show cause why a \$1,000.00 reimbursement to Consumer A should not be made; and

e. Nothing in this Order:

(1). shall prevent the Department from taking any further administrative and legal action as necessary under New Hampshire law; and

(2). shall prevent the New Hampshire Office of

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