## State of New Hampshire Banking Department

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) Case No.: 07-009

State of New Hampshire Banking

) Order To Show Cause

Department,

Petitioner,

etitioner,

and

Moneygram International,

Respondent

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#### NOTICE OF ORDER

This Order commences an adjudicative proceeding under the provisions of RSA 541A:31, RSA 399-G, and BAN 204.03.

### LEGAL AUTHORITY AND JURISDICTION

Pursuant to RSA 399-G:18, the Commissioner of the New Hampshire Banking Department (hereinafter "the Department") may issue an Order to Show Cause why a license should not be revoked, suspended, or penalties imposed or both. RSA 399-G:18 states that the Department may issue such Order when a licensee engages in any practice which violates the Chapter. RSA 399-G:21 states the Commissioner may impose penalties of up to \$2,500 per violation of the chapter.

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

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or persons adversely affected by such conduct. The Commissioner may utilize all remedies available under the Act.

# NOTICE OF RIGHT TO REQUEST A HEARING

The above named respondent has the right to request a hearing on this Order to Show Cause, as well as the right to be represented by counsel. Any such request for a hearing shall be in writing, and signed by the respondent or by the duly authorized agent of the above named respondent, and shall be delivered either by hand or certified mail, return receipt request, to the Banking Department, State of New Hampshire, 64B Old Suncook Road, Concord, NH 03301.

If respondent fails to request a hearing or respond to the show cause order within 30 calendar days of receipt of this order, respondent shall be deemed in default, and the penalties requested will be imposed.

# STATEMENT OF ALLEGATIONS, APPLICABLE LAWS AND REQUEST FOR RELIEF

The Staff Petition dated January 9, 2007 (a copy of which is attached hereto) are incorporated by reference hereto.

#### ORDER

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

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

It is hereby ORDERED, that:

- 1. The Respondent shall show cause why penalties for their activity prior to licensure should not be imposed; and
- 2. Failure to request a hearing within 30 days of the date of receipt of this Order shall result in a default judgment being

rendered and administrative penalties being imposed upon the defaulting Respondent. SIGNED, Dated: January 12, 2007 PETER C. HILDRETH BANK COMMISSIONER 

- members, partners, trustees, and beneficiaries provided on Schedules A& B of this form." See exhibit 1.
- 7. Schedule A further requires the submission of information on "each corporate officer, director, executive officer, senior manager..."
- 8. Despite this clear language Moneygram International communicated to the Department it was not required to submit any Schedule A's to the Department.
- 9. As a result of Respondent's dilatory tactics the license was not ready for issuance until December 15, 2006.
- 10. Respondent admitted that between August 18, 2006 and November 1, 2006 they engaged in over 130,000 transactions with New Hampshire consumers.
- 11. Upon information and belief Respondent engaged in additional transactions between November 1, 2006 and their license ready date of December 15, 2006.
- II. The staff of the Banking Department, State of New Hampshire alleges the following issues of law:
  - The Banking Department ("Department"), has jurisdiction over the licensing and regulation of persons engaged in Money Transmission business pursuant to NH RSA 399-G:2.
  - 2. RSA 399-G:21 IV provides that any person who, either knowingly or negligently, violates any provision of RSA 399-G, may upon hearing, and in addition to any other penalty provided for by law, be subject to suspension, revocation, or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation, and such administrative action or fine may be imposed in addition to any criminal penalties or civil liabilities imposed by New Hampshire

banking laws. Respondent is subject to revocation and/or 1 administrative fines for violations of RSA 399-G. 2 RELIEF REQUESTED 3 The staff of the Banking Department requests the Commissioner take the 4 following action: 5 1. Find as fact the allegations contained in section I of the Statement of 6 Allegations of this petition. 7 2. Make conclusions of law relative to the allegations contained in section 8 II of the Statement of Allegations of this petition. 9 3. Assess fines and administrative penalties in accordance RSA 397-A:21, for 10 violations of the New Hampshire Banking Laws, in the number and amount 11 equal to the violations set forth in section I of the Statement of 12 Allegations of this petition. Respondent is subject to an administrative penalty of \$2,500 for each violation of the Chapter. 13 4. Take such other administrative and legal actions as are necessary for 14 enforcement of the New Hampshire Banking laws, the protection of New 15 Hampshire citizens, and to provide other equitable relief. 16 RIGHT TO AMEND 17 The Department reserves the right to amend this Petition for Relief and 18 request that the Banking Department Commissioner take additional 19 administrative action. Nothing herein shall preclude the Department from 20 bringing additional enforcement action under RSA 397-A or the regulations 2.1 thereunder. 22 23 Respectfully submitted by: 24

Date

January 9, 2007

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/s/

James Shepard

Staff Attorney