

1 State of New Hampshire Banking Department

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3 In re the Matter of:) Case No.: 08-BD-009
)
 4 State of New Hampshire Banking)
)
 5 Department,)
) Staff Petition
 6 Petitioner,)
)
 7 and) September 16, 2008
)
 8 Globe Life Insurance Company (d/b/a)
)
 9 Globe Life, d/b/a Globe Life and)
)
 10 Accident Insurance Company, d/b/a)
)
 11 Globe Life Center, and d/b/a Home)
)
 12 Mortgage Group,)
)
 13 Respondent)
)

14
15 STATEMENT OF ALLEGATIONS

16 I. The staff of the Banking Department, State of New Hampshire
17 (hereinafter referred to as the "Department") alleges the
18 following facts:

19 1. On or about September 10, 2008, the Department received a
 20 written communication from Financial Institution A, a state-
 21 chartered co-operative bank located in New Hampshire,
 22 regarding a mailing from Respondent Globe Life Insurance
 23 Company (d/b/a Globe Life, d/b/a Globe Life and Accident
 24 Insurance Company, d/b/a Globe Life Center, and d/b/a Home
 25 Mortgage Group) (hereinafter "Respondent Globe Life") with an
 address based in Oklahoma City, Oklahoma.

1 2. Financial Institution A indicated in the September 8, 2008
2 letter that this solicitation to Consumer A fraudulently used
3 the name of Financial Institution A in violation of Senate
4 Bill 0315.

5 3. Respondent Globe Life's solicitation advised that Consumer A
6 has an opportunity to participate in a mortgage protection
7 program, which may help protect Consumer A's mortgage loan in
8 case of unexpected accidents.

9 4. Respondent Globe Life's solicitation further advised that
10 available benefits include:

- 11 a. premiums would never increase,
- 12 b. acceptance is guaranteed, and
- 13 c. 24-hour-a-day protection for the entire family.

14 5. Respondent Globe Life's solicitation references the bank name
15 in one place on the solicitation itself:

16 a. At the very top of the solicitation preceded by Consumer A's
17 name and "...our records indicate you have not responded to our
18 Mortgage Protection Insurance offer. We're extending it for
19 an additional 60 days. This may be your last chance to take
20 advantage of rates as low as \$30.00 a month for your mortgage
21 with..." .

22 6. Respondent Globe Life fails to properly, clearly and
23 conspicuously reference in bold face type in the same font as
24 is predominately used in the solicitation that Respondent is
25 not affiliated with, authorized by, endorsed by any financial
 institution and that loan information is retrieved from public
 records.

1 7. Respondent Globe Life lists a toll-free number of 800-811-
2 3927, which comes back as Globe Life and Accident Insurance
3 Company.

4 8. Respondent Globe Life does not appear to have received any
5 authorization (written or otherwise) to use the full or
6 abbreviated name, trade name, service mark, or trademark of
7 Financial Institution A.

8 **ISSUES OF LAW**

9 II. The staff of the Department alleges the following issues of law:

10 9. The Department re-alleges the above-stated facts in paragraphs
11 1 through 8.

12 10. The Department has jurisdiction over state-chartered banks
13 pursuant to RSA 383:9 ("Duties").

14 11. Pursuant to RSA 384:12-a, IV ("Cease and Desist Order"), the
15 Bank Commissioner (hereinafter "Commissioner") may issue and
16 serve upon an individual or business entity a cease and desist
17 order for any act or conduct that is in violation of RSA
18 384:67 ("Unauthorized and Deceptive Use").

19 12. Pursuant to RSA 384:68 ("Enforcement"), the Commissioner may
20 issue a cease and desist order against any individual or
21 business entity which engages in any act or conduct that
22 violates RSA 384:67 involving a financial institution under
23 the jurisdiction of the Commissioner and may bring legal
24 action to enforce the order.

25 13. Pursuant to RSA 384:67, IV, for the purposes thereof, the
term "financial institution" shall include a state-chartered
co-operative bank as defined in RSA 384-B:1, I.

1 14. Pursuant to RSA 384:67, I (a), no individual or business
2 entity shall, without the prior written authorization of a
3 financial institution, "use the full or abbreviated name,
4 trade name, service mark, or trademark of any financial
5 institution in any written, electronic, or oral advertisement
6 or solicitation for products and services."

7 15. Pursuant to RSA 384:67, I (c), no individual or business
8 entity shall, without the prior written authorization of a
9 financial institution, include specific loan information
10 relative to a specifically identified consumer that is
11 publicly available "(1) in any written or electronic
12 solicitation, unless the advertisement or solicitation clearly
13 and conspicuously states on the front page or introduction in
14 bold-faced type that is the same font size as is predominately
15 used in the advertisement or solicitation disclosing that such
16 individual or business entity is not sponsored by or
17 affiliated with, and that such solicitation is not authorized
18 by, the financial institution and that the information was
19 received from public records."

18 **RELIEF REQUESTED**

19 III. The staff of the Department requests the Commissioner take the
20 following action:

- 21 1. Find as fact the allegations contained in Section I of the
22 Statement of Allegations of this Petition.
- 23 2. Make conclusions of law relative to the allegations contained
24 in Section II of the Statement of Allegations (Issues of Law)
25 of this Petition.

- 1 3. Pursuant to RSA 384:12-a, IV, order Respondent Globe Life to
2 immediately Cease and Desist from any violations of RSA
3 384:67.
4 4. Pursuant to RSA 384:68, order Respondent Globe Life to
5 immediately Cease and Desist from any violations of RSA
6 384:67.
7 5. Assess fines and administrative penalties in accordance with
8 RSA 384:12-a, V for violations of Chapter 384, in the number
9 and amount equal to the violations set forth in section I and
10 II of this Staff Petition;
11 6. Take such other legal administrative and legal actions as are
12 necessary for enforcement of the New Hampshire banking laws,
13 the protection of New Hampshire citizens, and to provide other
14 equitable relief.

15 **RIGHT TO AMEND**

16 IV. The Department reserves the right to amend this Petition for Relief
17 and to request that the Banking Department Commissioner take additional
18 administrative action. Nothing herein shall preclude the Department from
19 bringing additional enforcement action under RSA 384:12-a, RSA 384:67 or
20 RSA 384:68 or any regulations thereunder.
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22 Respectfully Submitted:

23
24 /s/
25 Maryam Torben Desfosses
Staff Attorney