
IN THE MATTER OF:

TARGET FINANCE, LLC
d/b/a TARGET CASH NOW

(“Respondent”)

**TEMPORARY ORDER TO
CEASE AND DESIST**

ORDER TO MAKE RESTITUTION

**NOTICE OF INTENT TO ISSUE
ORDER TO CEASE AND DESIST**

**NOTICE OF INTENT TO IMPOSE
CIVIL PENALTY**

AND

NOTICE OF RIGHT TO HEARING

I. LEGAL AUTHORITY AND JURISDICTION

The Banking Commissioner (“Commissioner”) is charged with the administration of Part III of Chapter 668, Sections 36a-555 to 36a-573, inclusive, of the Connecticut General Statutes, “Small Loan Lending and Related Activities”, and the regulations promulgated thereunder, Sections 36a-570-1 to 36a-570-17, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”).

Pursuant to the authority granted by Section 36a-17 of the Connecticut General Statutes, the Commissioner, through the Consumer Credit Division of the Department of Banking (“Department”), has investigated the activities of Respondent to determine if it has violated, is violating or is about to violate the provisions of the Connecticut General Statutes and Regulations within the jurisdiction of the Commissioner.

Section 36a-17(a) of the Connecticut General Statutes provides, in pertinent part, that:

The commissioner, in the commissioner’s discretion and as often as the commissioner deems necessary to carry out the purposes of applicable law and the duties of the commissioner, may, subject to the provisions of section 36a-21 and the Freedom of Information Act, as defined in section 1-200: (1) Make, within or outside this state, such public or

private investigations . . . concerning any person subject to the jurisdiction of the commissioner; (2) require or permit any person to testify, produce a record or file a statement in writing, under oath, or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter to be investigated or about which an action or proceeding is pending

Section 36a-52 of the Connecticut General Statutes provides, in pertinent part, that:

(a) Whenever it appears to the commissioner that any person has violated, is violating or is about to violate any provision of the general statutes within the jurisdiction of the commissioner, or any regulation . . . adopted . . . thereunder, the commissioner may send a notice to such person by registered or certified mail, return receipt requested, or by any express delivery carrier that provides a dated delivery receipt The notice shall be deemed received by the person on the earlier of the date of actual receipt, or seven days after mailing or sending Any such notice shall include: (1) A statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the general statutes, [or] regulations . . . alleged to have been violated; (4) a short and plain statement of the matters asserted; and (5) a statement indicating that such person may file a written request for a hearing on the matters asserted within fourteen days of receipt of the notice. If a hearing is requested within the time specified in the notice, the commissioner shall hold a hearing upon the matters asserted in the notice, unless the person fails to appear at the hearing. After the hearing, the commissioner shall determine whether an order to cease and desist should be issued against the person named in the notice. If the person does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner shall issue an order to cease and desist against the person. No such order shall be issued except in accordance with the provisions of chapter 54.

(b) If the commissioner finds that the public welfare requires immediate action, the commissioner may incorporate a finding to that effect in the notice sent in accordance with subsection (a) of this section and issue a temporary order requiring the person to cease and desist from the activity which constitutes such alleged violation and to take or refrain from taking such action as in the opinion of the commissioner will effectuate the purposes of this section. Such temporary order shall become effective on receipt and, unless set aside or modified by a court, shall remain in effect until the effective date of a permanent order or dismissal of the matters asserted in the notice.

Section 36a-50 of the Connecticut General Statutes provides, in pertinent part, that:

(a) (1) Whenever the commissioner finds as the result of an investigation that any person has violated any provision of the general statutes within the jurisdiction of the commissioner, or any regulation . . . adopted . . . thereunder, the commissioner may send a notice to such person by

registered or certified mail, return receipt requested, or by any express delivery carrier that provides a dated delivery receipt The notice shall be deemed received by the person on the earlier of the date of actual receipt or seven days after mailing or sending Any such notice shall include: (A) A statement of the time, place, and nature of the hearing; (B) a statement of the legal authority and jurisdiction under which the hearing is to be held; (C) a reference to the particular sections of the general statutes, [or] regulations . . . alleged to have been violated; (D) a short and plain statement of the matters asserted; (E) the maximum penalty that may be imposed for such violation; and (F) a statement indicating that such person may file a written request for a hearing on the matters asserted not later than fourteen days after receipt of the notice.

(2) If a hearing is requested within the time specified in the notice, the commissioner shall hold a hearing upon the matters asserted in the notice unless such person fails to appear at the hearing. After the hearing, if the commissioner finds that the person has violated any such provision, [or] regulation, . . . the commissioner may, in the commissioner's discretion and in addition to any other remedy authorized by law, order that a civil penalty not exceeding one hundred thousand dollars per violation be imposed upon such person. If such person does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner may, as the facts require, order that a civil penalty not exceeding one hundred thousand dollars per violation be imposed upon such person.

(3) Each action undertaken by the commissioner under this subsection shall be in accordance with the provisions of chapter 54. . . .

(c) Whenever the commissioner finds as the result of an investigation that any person has violated any provision of the general statutes within the jurisdiction of the commissioner, or any regulation . . . adopted . . . under such provisions, the commissioner may, in addition to any other remedy authorized by law, order such person to (1) make restitution of any sums shown to have been obtained in violation of any such provision, [or] regulation . . . plus interest at the legal rate set forth in section 37-1 After the commissioner issues such an order, the person named in the order may, not later than fourteen days after the receipt of such order, file a written request for a hearing. The order shall be deemed received by the person on the earlier of the date of actual receipt or seven days after mailing or sending. Any such hearing shall be held in accordance with the provisions of chapter 54.

II. MATTERS ASSERTED

1. Respondent is a limited liability company with an address of P.O. Box 581, Hays, Montana.
2. Between at least February 2018 and the present, at least one Connecticut resident entered into a “Loan Agreement” with Respondent in which the Connecticut resident agreed to borrow \$850 and pay interest at a rate of at least 785.04% on a consumer loan. On February 3, 2018, the Connecticut resident received the \$850 loan. From February 28, 2018 to May 30, 2018, the Connecticut resident made seven (7) payments of \$284.38 on the loan for a total of \$1,990.66.
3. Respondent continues to offer, via its website at www.targetcashnow.com, unsecured small loans in amounts of up to \$2,500 with annual percentage rates of approximately 795% (“Consumer Loans”). In particular, Respondent’s website solicits consumers to apply online and includes Connecticut as a state in the dropdown box by which a consumer can “Apply Now”.
4. While Respondent’s website as of February 2019 states that “Target Cash Now does not lend to residents of AR, CT, DC, MT, NC, NJ, NY, PA, VA, WV”, Connecticut was previously not listed by Respondent as a state in which it did not lend in. Through at least December 7, 2018, Respondent’s website stated that “Target Finance, LLC does not lend to residents of Arkansas, Montana, Nevada, New York, Pennsylvania, Virginia, and West Virginia.”
5. The Agreement was made electronically and signed via the Internet by the Connecticut resident.
6. At no time relevant hereto was Respondent licensed as a small loan lender in Connecticut, nor is Respondent exempt from such licensure requirements.

III. STATUTORY BASIS FOR ORDER TO CEASE AND DESIST, ORDER TO MAKE RESTITUTION AND IMPOSITION OF CIVIL PENALTY

Section 36a-555(11) of the Connecticut General Statutes provides, in pertinent part, that:

“Small loan” means any loan of money or extension of credit, or the purchase of, or an advance of money on, a borrower’s future income where the following conditions are present: (A) The amount or value is fifteen thousand dollars or less; and (B) the APR is greater than twelve per cent.

Section 36a-556 of the Connecticut General Statutes provides, in pertinent part, that:

(a) Without having first obtained a small loan license from the commissioner pursuant to section 36a-565, no person shall, by any method, including, but not limited to, mail, telephone, Internet or other electronic means, unless exempt pursuant to section 36a-557:

(1) Make a small loan to a Connecticut borrower;

(2) Offer, solicit, broker, directly or indirectly arrange, place or find a small loan for a prospective Connecticut borrower; . . . [and]

(6) Advertise or cause to be advertised in this state a small loan or any of the services described in subdivisions (1) to (5), inclusive, of this subsection.

Section 36a-570(b) of the Connecticut General Statutes provides, in pertinent part, that:

Whenever it appears to the commissioner that (1) any person has violated, is violating or is about to violate any of the provisions of sections 36a-555 to 36a-573, inclusive, or any regulation adopted pursuant thereto . . . the commissioner may take action against such person . . . in accordance with sections 36a-50 and 36a-52.

1. Respondent's making of at least one small loan to a Connecticut borrower without obtaining the required license, as more fully described in paragraphs 1 through 6, inclusive, of the Matters Asserted, constitutes at least one violation of Section 36a-556(a)(1) of the Connecticut General Statutes. Such violation forms the basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-570(b) and 36a-52(a) of the Connecticut General Statutes, issue an order to make restitution against Respondent pursuant to Sections 36a-570(b) and 36a-50(c) of the Connecticut General Statutes, and impose a civil penalty upon Respondent pursuant to Sections 36a-570(b) and 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

2. Respondent's offering or soliciting small loans in Connecticut without the required license, as more fully described in paragraphs 1 through 6, inclusive, of the Matters Asserted, constitutes at least one violation of Section 36a-556(a)(2) of the Connecticut General Statutes. Such violation forms the basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-570(b) and 36a-52(a) of the Connecticut General Statutes and impose a civil penalty upon Respondent pursuant to Sections 36a-570(b)

and 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

3. Respondent's advertising a small loan in this state without the required license, as more fully described in paragraph 3, of the Matters Asserted, constitutes at least two violations of Section 36a-556(a)(6) of the Connecticut General Statutes. Such violation forms the basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-570(b) and 36a-52(a) of the Connecticut General Statutes and impose a civil penalty upon Respondent pursuant to Sections 36a-570(b) and 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

IV. FINDING AND STATUTORY BASIS FOR TEMPORARY ORDER TO CEASE AND DESIST

The Commissioner finds that the public welfare requires immediate action to issue a temporary order requiring Respondent to cease and desist from violating subdivisions (1), (2) and (6) of Section 36a-556(a) of the Connecticut General Statutes. Respondent shall take such action as set forth herein to effectuate the purposes of Section 36a-52(b) of the Connecticut General Statutes in that the interests of Connecticut residents are being materially prejudiced by Respondent not being duly licensed as a small loan lender in Connecticut and continuing to offer and make loans of \$2,500 or less with rates of interest of up to 795% after being advised by the Commissioner to cease such activity.

**V. TEMPORARY ORDER TO CEASE AND DESIST, ORDER TO MAKE
RESTITUTION, NOTICE OF INTENT TO ISSUE ORDER TO CEASE AND DESIST,
NOTICE OF INTENT TO IMPOSE CIVIL PENALTY
AND NOTICE OF RIGHT TO HEARING**

WHEREAS, the Commissioner has reason to believe that Respondent has engaged in acts or conduct which forms the basis to issue an order to cease and desist pursuant to Sections 36a-570(b) and 36a-52(a) of the Connecticut General Statutes, issue an order to make restitution against Respondent pursuant to Sections 36a-570(b) and 36a-50(c) of the Connecticut General Statutes, and impose a civil penalty upon Respondent pursuant to Sections 36a-570(b) and 36a-50(a) of the Connecticut General Statutes;

AND WHEREAS, the Commissioner has made the finding required under Section 36a-52(b) of the Connecticut General Statutes.

THE COMMISSIONER THEREFORE ORDERS, pursuant to Section 36a-52(b) of the Connecticut General Statutes, that Target Finance, LLC d/b/a Target Cash Now immediately **CEASE AND DESIST** from violating subdivisions (1), (2) and (6) of Section 36a-556(a) of the Connecticut General Statutes, including, but not limited to, enforcing Consumer Loans by any means. This Temporary Order to Cease and Desist shall become effective upon receipt by Target Finance, LLC d/b/a Target Cash Now, and, unless set aside or modified by a court, shall remain in effect until the effective date of a permanent order or dismissal of the matters asserted in this Temporary Order to Cease and Desist.

THE COMMISSIONER FURTHER ORDERS, pursuant to Sections 36a-17(a) and 36a-52(b) of the Connecticut General Statutes, that: Not later than fourteen (14) days from receipt of this Temporary Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing, Target Finance, LLC d/b/a Target Cash Now shall provide to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or carmine.costa@ct.gov, a list of all Connecticut residents who, on or after July 1, 2016, have: (1) applied for a Consumer Loan from

Target Finance, LLC d/b/a Target Cash Now or (2) contracted with Target Finance, LLC d/b/a Target Cash Now to pay interest at a rate in excess of 12% on a Consumer Loan. For each Consumer Loan consummated by a Connecticut resident, such submission shall include: (a) a copy of each loan agreement specifying the amount and annual interest rate of the loan, and (b) a list of each Connecticut resident's name and address and full itemization of payments made pursuant to the loan agreement, specifying the dates and amounts of such payments.

THE COMMISSIONER FURTHER ORDERS, pursuant to Sections 36a-570(b) and 36a-50(c) of the Connecticut General Statutes, that Target Finance, LLC d/b/a Target Cash Now **MAKE RESTITUTION** of any sums obtained as a result of Target Finance, LLC d/b/a Target Cash Now violating subdivisions (1), (2) and (6) of Section 36a-556(a) of the Connecticut General Statutes, plus interest at the legal rate set forth in Section 37-1 of the Connecticut General Statutes. Specifically, the Commissioner **ORDERS** that: Not later than thirty (30) days from the date this Order to Make Restitution becomes permanent, Target Finance, LLC d/b/a Target Cash Now shall:

1. Repay any amounts received by Target Finance, LLC d/b/a Target Cash Now from the Connecticut resident identified in Exhibit A plus interest, and repay any amounts received by Target Finance, LLC d/b/a Target Cash Now from any other Connecticut resident in connection with a Consumer Loan. Payments shall be made by cashier's check, certified check or money order; and
2. Provide to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or carmine.costa@ct.gov, evidence of such repayments.

NOW THEREFORE, notice is hereby given to Respondent that the Commissioner intends to issue an order requiring Respondent to **CEASE AND DESIST** from violating subdivisions (1), (2) and (6) of Section 36a-556(a) of the Connecticut General Statutes, including, but not limited to, enforcing such loans by any means, and impose a **CIVIL PENALTY** upon Respondent as set forth herein, subject to Respondent's right to a hearing on the allegations set forth above.

A hearing will be granted to Respondent if a written request for a hearing is received by the Department of Banking, Consumer Credit Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 within fourteen (14) days following Respondent's receipt of this Temporary Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing as set forth in Section 36a-52(a) and subsections (a) and (c) of Section 36a-50 of the Connecticut General Statutes. This Temporary Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing shall be deemed received on the earlier of the date of actual receipt, or seven days after mailing or sending. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to the above address. If Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se". Once a written request for a hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that acknowledges receipt of a request for a hearing, designates a hearing officer and sets the date of the hearing in accordance with Section 4-177 of the Connecticut General Statutes and Section 36a-1-21 of the Regulations of Connecticut State Agencies. If a hearing is requested, the hearing will be held on June 4, 2019, at 10 a.m., at the Department of Banking, 260 Constitution Plaza, Hartford, Connecticut.

If a hearing is requested, it will be held in accordance with the provisions of Chapter 54 of the Connecticut General Statutes, unless Respondent fails to appear at the requested hearing. At such hearing, Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner.

If Respondent does not request a hearing within the time prescribed or fails to appear at any such hearing, the allegations herein will be deemed admitted. Accordingly, the Order to Make Restitution shall remain in effect and become permanent, and the Commissioner will issue an order that Respondent cease and desist from violating subdivisions (1), (2) and (6) of Section 36a-556(a) of the Connecticut General Statutes, including, but not limited to, enforcing such loans by any means, and may order a civil penalty

in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon Respondent.

So ordered at Hartford, Connecticut
this 29th day of March 2019.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 1st day of April 2019, I caused to be mailed by certified mail, return receipt requested, the foregoing Temporary Order to Cease and Desist, Order to Make Restitution, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing to Target Finance, LLC d/b/a Target Cash Now at P. O. Box 581, Hays, Montana 59527, Certified Mail No. 7016 2710 0000 5896 9384.

_____/s/_____
Tina M. Daigle
Paralegal