
*
IN THE MATTER OF: *
*
DONNELL FINANCIAL GROUP, INC. *
*
 (“DFG”) *
*

CONSENT ORDER

WHEREAS, the Connecticut 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”);

WHEREAS, DFG has never been licensed to engage in the business of a small loan lender in this state, and is not otherwise exempt from licensure under Part III of Chapter 668, Sections 36a-555, *et seq.* of the Connecticut General Statutes;

WHEREAS, the Commissioner, through the Consumer Credit Division (“Division”), has investigated the activities of DFG pursuant to Section 36a-17 of the Connecticut General Statutes to determine if it had violated, was violating or was about to violate the provisions of the Connecticut General Statutes and Regulations within the jurisdiction of the Commissioner;

WHEREAS, as a result of such investigation, the Commissioner alleges that DFG, during the period of June 1, 2014 through June 1, 2018, engaged in the business of making loans in Connecticut in the amount of \$15,000 or less and the annual percentage rate was greater than 12% (“Small Loans”), in

violation of Section 36a-556 or 36a-573(a) of the Connecticut General Statutes, as applicable and in effect at the time of the alleged violations;

WHEREAS, the Commissioner believes that such allegations would support initiation of enforcement proceedings against DFG, including proceedings to issue a cease and desist order against DFG pursuant to Sections 36a-570(b) and 36a-52(a) of the Connecticut General Statutes, and impose a civil penalty of up to One Hundred Thousand Dollars (\$100,000) per violation upon DFG pursuant to Sections 36a-570(b) and 36a-50(a) of the Connecticut General Statutes;

WHEREAS, initiation of such enforcement proceedings would constitute a “contested case” within the meaning of Section 4-166(4) of the Connecticut General Statutes;

WHEREAS, Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by agreed settlement, unless precluded by law;

WHEREAS, both the Commissioner and DFG acknowledge the possible consequences of formal administrative proceedings;

WHEREAS, DFG voluntarily agrees to enter into this Consent Order without admitting or denying the allegations set forth herein, and solely for the purpose of obviating the need for formal administrative proceedings concerning the allegations set forth herein;

WHEREAS, DFG herein represents to the Commissioner that it has not engaged in the business of a small loan lender in this state since June 1, 2018, upon having received the correspondence from the Division indicating licensure is required;

WHEREAS, on November 14, 2018, DFG provided the Commissioner with account information for two Connecticut residents and herein represents that the account information provided for the two Connecticut residents is an accurate representation of all of the Connecticut residents who had obtained Small Loans from DFG as well as the total interest such Connecticut residents paid to DFG;

WHEREAS, DFG represents that one of the loans was has been fully satisfied and the other has been written off and no further collection activities shall take place in connection with that account;

WHEREAS, DFG herein represents to the Commissioner that no Connecticut residents have obtained a Small Loan from DFG from June 2018 through the date that DFG executes this Consent Order;

WHEREAS, DFG specifically assures the Commissioner that the violations described herein shall not occur in the future;

AND WHEREAS, DFG, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to notice and an opportunity for hearing as it pertains to the allegations set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

CONSENT TO ENTRY OF SANCTIONS

WHEREAS, DFG, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. DFG shall cease and desist from engaging in the business of making small loans in Connecticut, and shall not otherwise violate Section 36a-556, including but not limited to, advertising or offering small loans in Connecticut;
2. No later than the date this Consent Order is executed by DFG, it shall remit to the Department of Banking by wire transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Five Thousand Dollars (\$5,000) as a civil penalty;
3. No later than the date this Consent Order is executed by DFG, it shall mail by registered or certified mail, return receipt requested, with proof of mailing, a check to each Connecticut resident listed in Exhibit A attached hereto in the amount identified which represents interest paid by such Connecticut residents in excess of an annual percentage rate of 12%. DFG shall provide evidence of such repayments to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or carmine.costa@ct.gov; and
5. No later than 30 calendar days after the date of execution of this Consent Order by DFG, DFG shall request, electronically or in writing, that each credit reporting agency to which DFG previously furnished negative information regarding a Connecticut borrower delete the tradelines or other data containing such negative information. The Commissioner acknowledges that DFG does not control the actions of the credit reporting agencies and, thus, the credit reporting agencies may not comply with or honor requests to make the tradeline updates stated in this paragraph. In the event that the Division becomes aware of any negative information

that was not deleted pursuant to this paragraph, DFG agrees to make a second request for deletion of that information within 14 days of its receipt of a written request from the Division containing sufficient information to identify the credit reporting agency and affected Connecticut borrower. DFG shall provide copies of each transmittal of such requests and the corresponding withdrawals to Carmine Costa, Director, Consumer Credit Division.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against DFG based upon the allegations set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against DFG based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by DFG and reflected herein is subsequently discovered to be untrue;
3. DFG shall not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by DFG and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of DFG to apply for or obtain licenses or renewal licenses under Part III of Chapter 668, Sections 36a-555 *et seq.*, of the Connecticut General Statutes, provided that all applicable legal requirements for any such license are satisfied and the terms of this Consent Order are being followed;
5. This Consent Order shall become binding upon DFG and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 29th day of September 2020.

/s/
Jorge L. Perez
Banking Commissioner

I, Richard Ullmann, state on behalf of Donnell Financial Group, Inc., that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Donnell Financial Group, Inc.; that Donnell Financial Group, Inc. agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Donnell Financial Group, Inc. voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: _____/s/

Name: Richard Ullmann
Title: President
Donnell Financial Group, Inc.

State of: Connecticut

ss:

County of: Fairfield

On this the 9 day of September, 2020, before me, Sharonda Felder, the undersigned officer, personally appeared Richard Ullmann who acknowledged himself/herself to be the President of Donnell Financial Group, Inc., a corporation, and that he/she as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as President.

In witness whereof I hereunto set my hand.

_____/s/

Notary Public
Date Commission Expires: Feb. 29, 2024