
IN THE MATTER OF:

**LENDAH LLC
("Lendah")**

("Respondent")

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**TEMPORARY ORDER TO
CEASE AND DESIST**

**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

1. The Banking Commissioner ("Commissioner") is charged with the administration of Sections 36a-671 to 36a-671f, inclusive, of Part II of Chapter 669 of the Connecticut General Statutes, "Debt Adjusters and Debt Negotiation".

2. Pursuant to the authority granted by Section 36a-17 of the Connecticut General Statutes, in effect at such time, the Commissioner, through the Consumer Credit Division of the Department of Banking, 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 within the jurisdiction of the Commissioner ("Investigation").

3. As a result of the Investigation, the Commissioner has reason to believe that Respondent has violated Sections 36a-671(b) and 36a-671f(8) of the Connecticut General Statutes.

4. As a result of the Investigation, the violations alleged by the Commissioner form the basis to issue an order to cease and desist against Respondent pursuant to Section 36a-671a(b) of the Connecticut General Statutes and Section 36a-52(a) of the 2022 Supplement to the General Statutes.

5. As a result of the Investigation, the violations alleged by the Commissioner form the basis to issue a civil penalty against Respondent pursuant to Section 36a-671a(b) of the Connecticut General Statutes and Section 36a-50(a) of the 2022 Supplement to the General Statutes.

II. MATTERS ASSERTED

6. Lendah is a Massachusetts limited liability company with a place of business at 500 Cummings Center Drive, Suite 2550, Beverly, Massachusetts. At all times relevant hereto, Matthew Guthrie (“Guthrie”) was a member of Lendah.

7. On Lendah’s Certificate of Organization filed with the Corporations Division of the Secretary of the Commonwealth of Massachusetts on February 7, 2018, which was signed by Guthrie, Lendah represents that the general character of its business is to “assist individuals with debt reduction, including any and all activities related or incidental thereto”.

8. At all relevant times hereto, Lendah’s website claims that it is a lead generator of personal loan products and encourages consumers to provide financial information such as monthly income and amount of credit card debt to obtain a loan. It claims “Personal Loans made wicked easy and wicked fast”, yet instead of offering loans to Connecticut consumers, Lendah offers debt negotiation services to such consumers, for or with the expectation of a fee, commission or other valuable consideration.

9. In approximately April 2019, a Connecticut consumer applied for a loan online. In response to the loan application, R.M. of Lendah, an alleged “IAPDA Certified Specialist”, contacted the Connecticut consumer by phone and told her that she did not qualify for a loan but that she could enroll in a program that would negotiate her credit card balances to approximately 50% of their current balance and cause the balances to be paid off in three years.

10. IAPDA stands for the International Association of Professional Debt Arbitrators and is purportedly “North America’s leading debt settlement and credit counseling training and certification programs”. The list of IAPDA certified specialists on its website (www.iapda.org) does not reflect that R.M. is certified.

11. On May 1, 2019, R.M., on behalf of Lendah, e-mailed the Connecticut consumer a contract with Commonwealth Law Group for debt negotiations services (“Agreement”) so that she “could review the contract before meeting with the notary [to execute the Agreement].” He also told her to call him with any questions concerning the Agreement.

12. The Agreement provided by Lendah to the Connecticut consumer references a “Law Firm Contact” of R.M. and addresses for Commonwealth Law Group of 500 Cummings Center, Suite 4500, Beverly, Massachusetts, and 500 Cummings Center, Suite 3450, Beverly, Massachusetts. The Agreement states that the Commonwealth Law Group will assist the Connecticut consumer with the resolution of burdensome debt referred to as a “Debt Resolution Program”.

13. On September 29, 2020, in response to an inquiry by the Department concerning Lendah’s activities, Guthrie explained that Lendah “provides leads to a network of lender partners. . . . If it turns out Lendah is aiding a consumer that is unable to obtain an acceptable loan . . . the company will offer to connect the consumer with alternative entities that may be able to assist them with their debts. One example of an alternative entity is the law firm Commonwealth Law Group.”

14. In addition to the Commonwealth Law Group, Lendah’s partners include Glacier Bay and DMB Financial. Both Glacier Bay Servicing, LLC and DMB Financial, LLC list Guthrie as manager, operate from 500 Cummings Drive, Beverly, Massachusetts and provide debt negotiation services.

15. At no time relevant hereto has Respondent been licensed to engage or offer to engage in debt negotiation in this state, nor does Respondent qualify for an exemption from such licensure.

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

1. Lendah’s offering debt negotiation programs in this state without obtaining the required license, as more fully described in paragraphs 6 through 15, inclusive, of the Matters Asserted, constitutes a violation of Section 36a-671(b) of the Connecticut General Statutes. Such violation forms the basis to issue an order to cease and desist against Lendah pursuant to Section 36a-671a(b) of the Connecticut General Statutes and Section 36a-52(a) of the 2022 Supplement to the General Statutes, and impose a civil penalty against Lendah pursuant to Section 36a-671a(b) of the Connecticut General Statutes and Section 36a-50(a) of the 2022 Supplement to the General Statutes. Section 36a-50(a) of the 2022 Supplement to the General Statutes authorizes the Commissioner to impose a civil penalty upon Lendah in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

2. Lendah's making false or deceptive statements or representations in connection with debt negotiation or engaging in bait and switch advertising, as more fully described in paragraphs 6 through 15, inclusive, of the Matters Asserted, constitutes a violation of Section 36a-671f(8) of the Connecticut General Statutes. Such violation forms the basis to issue an order to cease and desist against Lendah pursuant to Section 36a-671a(b) of the Connecticut General Statutes and Section 36a-52(a) of the 2022 Supplement to the General Statutes, and impose a civil penalty against Lendah pursuant to Section 36a-671a(b) of the Connecticut General Statutes and Section 36a-50(a) of the 2022 Supplement to the General Statutes. Section 36a-50(a) of the 2022 Supplement to the General Statutes authorizes the Commissioner to impose a civil penalty upon Lendah 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 Lendah to cease and desist from violating Sections 36a-671(b) and 36a-671f(8) of the Connecticut General Statutes, and to 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 consumers are being prejudiced by Lendah deceiving Connecticut consumers into providing personal financial information under the guise of receiving a consumer loan, but instead offering the Connecticut consumers debt negotiation programs and sharing the information with persons engaged in debt negotiation.

**V. TEMPORARY ORDER TO CEASE AND DESIST
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 Section 36a-671a(b) of the Connecticut General Statutes and Section 36a-52(a) of the 2022 Supplement to the General Statutes, and impose a civil penalty pursuant to Section 36a-671a(b) of the Connecticut General Statutes and Section 36a-50(a) of the 2022 Supplement to the 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 the authority granted in Section 36a-52(b) of the Connecticut General Statutes, that Lendah immediately **CEASE AND DESIST** from any further violation of Sections 36a-671(b) and 36a-671f(8) of the Connecticut General Statutes. This Temporary Order to Cease and Desist shall become effective upon receipt by Lendah 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 the authority granted in Section 36a-17 of the 2022 Supplement to the General Statutes and Section 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, Notice of Intent to Cease and Desist, Notice of Intent to Issue Civil Penalty and Notice of Right to Hearing, Lendah shall provide to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or carmine.costa@ct.gov:

1. Copies of all contracts between Lendah and persons that provide debt negotiation services or referral services in Connecticut, including but not limited to, contracts with Commonwealth Law Group, Commonwealth Servicing, Glacier Bay Law, Glacier Bay Servicing, National Data Systems, DMB Financial and Guthrie;
2. Copies of all contracts between Lendah and persons that provide consumer loan services in Connecticut; and

3. A detailed list of any Connecticut consumers which Lendah has received personal information in connection with a loan inquiry or debt negotiation referral since January 1, 2019, and any and all fees received by Lendah as a result of the consumer being referred to a person referenced in paragraph 1 or 2 above, including the name and address of the consumer, name and address of the person that the consumer was referred to and from, date, and amount of any fees or consideration received by Lendah in connection with such service.

NOW THEREFORE, notice is hereby given to Lendah that the Commissioner intends to issue an order requiring Lendah to **CEASE AND DESIST** from violating Sections 36a-671(b) and 36a-671f(8) of the Connecticut General Statutes, and impose a **CIVIL PENALTY** upon Lendah as set forth herein, subject to Lendah's right to a hearing on the allegations set forth above.

A hearing will be granted if a written request for a hearing is received by the Department of Banking, Consumer Credit Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or submitted by e-mail to DOB.hearingsupport@ct.gov within fourteen (14) days following Respondent's receipt of this Temporary Order to Cease and Desist, 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 Sections 36a-52(a) and 36a-50(a) of the 2022 Supplement to the General Statutes, and 36a-50(c) of the Connecticut General Statutes. This Temporary Order to Cease and Desist, 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 (7) days after mailing or sending. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to one of the above addresses. If Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se". Respondent may request that the hearing be held in person at the Department's offices or remotely via videoconference using Microsoft Teams. 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 May 4, 2022, at 10 a.m.

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. Any remote hearing will be held in accordance with Section 149 of June Special Section Public Act 21-2, and the Remote Hearing Guidelines available on the Department's website at <https://portal.ct.gov/dob>.

If Lendah does not request a hearing within the time period prescribed or fails to appear at any such hearing, the allegations herein against Lendah will be deemed admitted. Accordingly, the Commissioner will issue an order that Lendah cease and desist from violating Sections 36a-671(b) and 36a-671f(8) of the Connecticut General Statutes, and may order a civil penalty in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon Lendah.

So ordered at Hartford, Connecticut,
this 7th day of March 2022.

/s/

Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 8th day of March 2022, I caused to be mailed by certified mail, return receipt requested, the foregoing Temporary Order to Cease and Desist, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing to Lendah LLC, 500 Cummings Center Drive, Suite 2550, Beverly, Massachusetts 01915, Certified Mail No. 7016 2710 0000 5897 0410.

/s/

Tina M. Daigle
Paralegal