

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT  
CIVIL ACTION NO. 2284CV01462

IN THE MATTER OF NH TITLE  
GROUP, INC. f/k/a  
MASSACHUSETTS TITLE LOAN,  
INC., d/b/a CAPITAL TITLE LOAN

ASSURANCE OF DISCONTINUANCE PURSUANT TO G.L. c. 93A, § 5

The Commonwealth of Massachusetts, (the "Commonwealth"), by and through its Attorney General, Maura Healey, and NH Title Group, Inc. f/k/a Massachusetts Title Loan, Inc., and Capital Title Loan, (collectively, "NH Title Group") hereby agree to this Assurance of Discontinuance ("Assurance") pursuant to Massachusetts General Laws chapter 93A, §§ 2 and 5.

I. INTRODUCTION

1. The Attorney General is responsible for enforcing the Consumer Protection Act, G. L. c. 93A, which prohibits unfair and deceptive acts and practices in the conduct of any trade or commerce, and all other consumer protection laws and regulations in Massachusetts.

2. NH Title Group was a motor vehicle title lender that maintained a principal place of business located at 131 Daniel Webster Highway, Suite 236, Nashua, New Hampshire 03060. NH Title Group was a licensed small loan lender under New Hampshire law and held a banking license issued by the New Hampshire Banking Department, but was not licensed in Massachusetts

3. NH Title Group ceased doing business in New Hampshire and Massachusetts on or about October 31, 2019. It relinquished its New Hampshire Banking License and forgave all outstanding indebtedness on consumer loans.

RECEIVED  
JUN 28 2022  
SUPERIOR COURT  
MICHAEL JOSEPH DONOVAN  
CLERK/MAGISTRATE

4. The Attorney General conducted an investigation into NH Title Group's consumer lending practices by issuing NH Title Group a Civil Investigative Demand ("CID") pursuant to her authority under G.L. c. 93A, § 6.

5. As a result of this investigation, the Attorney General alleges that NH Title Group engaged in unfair and deceptive acts and practices in connection with its consumer lending business, debt collection activities and repossession practices pursuant to G.L. c. 93A, § 2.

6. In lieu of litigation, the Company agrees to voluntarily enter this Assurance with the Attorney General on the terms and conditions contained herein, pursuant to G.L. c. 93A, § 5.

## **II. DEFINITIONS**

The following definitions shall apply to this Assurance:

7. "Covered Conduct" means those acts or practices alleged in Paragraphs 10-19, below.

8. "Effective Date" means the date on which the Assurance is filed in a Massachusetts Court.

9. "Relevant time period" means the date in which NH Title Group began conducting business in Massachusetts through October 31, 2019.

## **III. THE COMMONWEALTH'S ALLEGATIONS**

### **A. NH Title Group's Illegal Motor Vehicle Title Lending in Massachusetts**

10. Between 2014 and 2018, NH Title Group issued approximately 2,745 loans secured by the unencumbered title to motor vehicles to Massachusetts consumers.

11. The title loans were less than \$5,000 in principal and charged interest at a rate of 300% APR. The interest rate for these loans exceeded the 12% rate cap under the Massachusetts Small Dollar Loan Statute, which applies to loans of \$6,000 or less. G.L. c. 140 § 96. NH Title

Group contends that the interest rate for these loans was in compliance with the interest rate cap for title loan lenders under New Hampshire law, NH RSA 399-A:18(f).

12. In its advertisements to and communications with Massachusetts consumers, NH Title Group misrepresented that the company's title loans complied with Massachusetts law.

13. In addition to being per se illegal under M.G.L. c. 140 § 96, the excessive interest charged on these title loans rendered them unaffordable for consumers. Over 1,800 consumers defaulted and had their loans enter into collections, and hundreds of consumers ultimately lost their vehicles to repossession.

14. Moreover, because the title loans violated the Small Dollar Loan usury cap in Massachusetts, they were void and any attempt NH Title Group made to collect on debt that is void or unenforceable was illegal.

**B. NH Title Group's Unlawful Debt Collection Activity and Repossessions**

15. In certain instances, when NH Title Group repossessed consumers' vehicles, it failed to send the pre-repossession notices required by M.G.L. c. 255, § 131(b), which provide consumers with an opportunity to cure a default within 21 days to avoid repossession.

16. While attempting to collect debts from consumers, NH Title Group violated 940 CMR 7.04(1)(f) by initiating more than two telephone calls with consumers within a seven-day period regarding a debt. NH Title Group also emailed consumers at least once per day.

17. In certain instances, while attempting to collect debts from consumers in Massachusetts, NH Title Group initiated more than three telephone calls to consumers' references in a twelve-month period, in violation of 940 CMR 7.04(1)(f).

18. NH Title Group violated 940 CMR 7.08(1) by failing to provide the validation notice within five business days of initial communication to collect the debt.



19. The Attorney General contends that the conduct alleged in Paragraphs 10-19 of this Assurance constitutes violations of G.L. c. 93A, § 2.

#### IV. ASSURANCES

20. NH Title Group makes the following assurances:

##### A. Monetary Payment

21. NH Title Group shall pay a penalty of \$200,000.

a. \$100,000 of this amount shall be paid to the Attorney General within ten (10) calendar days of the effective date of this Assurance.

b. \$100,000 of this amount shall be suspended for a period of ten (10) years from the effective date of this Assurance, provided that NH Title Group complies with the provisions of this Assurance. If a Court of competent jurisdiction determines that NH Title Group has failed to comply with any provision in this Assurance, then NH Title Group shall pay this suspended amount, together with any additional penalties or restitution assessed by a Court and shall also pay the Commonwealth's reasonable attorneys' fees and costs incurred for the enforcement of this Assurance. At the end of such ten-year period, so long as the Commonwealth has not brought an action alleging that NH Title Group has failed to comply with any provision in this Assurance the suspended amount shall be forever waived.

22. Within ten (10) calendar days of the Effective Date of this Assurance, NH Title Group shall pay \$400,000 to the Commonwealth. At her sole discretion, and so long as permitted by law, the Attorney General shall distribute this payment, in any amount, allocation, or apportionment:

a. For payments to or for consumers, including use by the Attorney General in the facilitation of the relief under this Assurance; and/or

- b. To the General Fund of the Commonwealth of Massachusetts; and/or
- c. To the Local Consumer Aid Fund established pursuant to M.G.L. c. 12, § 11G;  
and/or
- d. For programs or initiatives designed to address the negative effects of illegal title  
lending and/or unfair and deceptive debt collection or repossession practices.

23. Unless otherwise directed by the Attorney General, all payments hereunder shall be made by ACH, wire transfer, or certified check, made payable to the "Commonwealth of Massachusetts," and shall be delivered to Shennan Kavanagh, Assistant Attorney General, Consumer Protection Division, Office of the Massachusetts Attorney General, One Ashburton Place, 18th Floor, Boston, MA 02108.

**B. Injunctive Terms**

24. NH Title Group, whether acting through its past or present employees, officers, subsidiaries, agents, representatives, affiliates, parent corporation(s), owners, successors, and/or assigns, or through any corporate or other device, is hereby permanently enjoined from operating, investing in, advertising, promoting, or providing consulting services to any form of consumer lending or servicing business operations, or debt collection activities, in which Massachusetts residents are or were borrowers. This provision shall also apply specifically to any individuals affiliated with organizations that provided investments in NH Title Group as determined by the Attorney General with advance notice to NH Title Group.

**C. Loan Forgiveness and Deficiency Balance Waivers**

25. NH Title Group represents and warrants that as of the Effective Date of this Assurance, for all Massachusetts consumers to whom it extended a motor vehicle title loan, it has: 1) removed all liens on motor vehicles that served as the loans' collateral, 2) returned the

titles of the motor vehicle against which NH Title Group placed the liens, 3) forgave all outstanding loan balances and post-repossession deficiency obligations, 4) closed all accounts. The total amount that has been forgiven under this provision for Massachusetts consumers is approximately \$412,770. No Massachusetts consumer has any obligation to NH Title Group. On or before thirty (30) days after the Effective Date, NH Title Group will send a mutually agreed upon notice of this relief to all affected Massachusetts consumers. NH Title Group will locate such consumers by obtaining their last known addresses and updating them using the United States Postal Office's National Change Of Address database.

#### **V. COMPLIANCE AND REPORTING**

26. In order to provide the Attorney General additional assurance that these commitments by NH Title Group will be adhered to, NH Title Group shall provide to the Attorney General, upon request, documents and records necessary to demonstrate its compliance with each provision of this Assurance, including, without limitation, a list of all Massachusetts consumers subject to Paragraph 25, above.

#### **VI. RELEASE**

27. The Attorney General fully and finally releases NH Title Group, its past or present employees, officers, subsidiaries, agents, representatives, affiliates, parent corporation(s), owners, successors, and/or assigns from any and all claims that were or could have been asserted by the Attorney General prior to the Effective Date of the Assurance that relate to, or are based on, the Covered Conduct. This release shall not bind any other private or governmental entity, nor release NH Title Group from liability for any other conduct that does not arise from or relate to the Covered Conduct.



28. Nothing in this Assurance shall be deemed to preclude the Attorney General's review of conduct that occurs after the Effective Date, or any claims that may be brought by the Attorney General to enforce NH Title Group's compliance with the Assurance.

## VII. NOTICE

29. Any notice or other information required to be provided to the parties under the terms of this Assurance shall be sent by first class mail and by email addressed to the following:

Office of the Attorney General Consumer Protection Division Attn: Shennan Kavanagh Jane Sugarman One Ashburton Place, 18 <sup>th</sup> Floor Boston, MA 02108  With email copies to:  shennan.kavanagh@mass.gov jane.sugarman@mass.gov	NH Title Group c/o McLane Middleton, Professional Association Attn: Michael Delaney, Esq. 900 Elm Street, 10 <sup>th</sup> Floor Manchester, NH 03014  With email copies to:  michael.delaney@mclane.com
--	---

## VIII. GENERAL TERMS

30. This Assurance shall be binding on NH Title Group's successors, subsidiaries, and all other person who have authority to control or who, in fact, control and direct Capital Title Loan's business in the Commonwealth of Massachusetts.

31. The Assurance shall be effective upon its execution by all parties hereto and shall thereafter be filed by the Attorney General in the Superior Court for Suffolk County.

32. This Assurance shall be governed by and interpreted in accordance with laws of the Commonwealth of Massachusetts, and the Superior Court for Suffolk County shall retain jurisdiction over this Assurance.

33. This Assurance does not resolve, settle, or otherwise affect any actual or potential claims by parties other than those alleged herein by the Attorney General. This Assurance may

not be used by any third party in any other proceeding. This Assurance is not intended to be, and should not be construed as, an admission of liability by NH Title Group.

34. Nothing in this Assurance shall relieve NH Title Group of its obligation to comply with applicable federal and state laws, rules, and regulations.

35. NH Title Group waives all rights to appeal or otherwise challenge or contest the validity of this Assurance.

36. The provisions of this Assurance are severable. Should any provisions be declared by a court of competent jurisdiction to be unenforceable, the other provisions of this Assurance shall remain in full force and effect.

37. This Assurance can be amended or supplemented only by a written document signed by all parties or court order. Amendments or supplements may be executed in separate counterparts, with signatures conveyed by mail, facsimile, email, or other electronic means.

38. This Assurance constitutes the entire agreement between the Attorney General and NH Title Loan and supersedes any prior communication, agreement, or understanding, whether written or oral, concerning the subject matter of this Assurance.

39. NH Title Group and its signatories have consulted with counsel in their decision to enter into this Assurance.

40. Signatories for NH Title Group represent and warrant that they have the full legal power, capacity, and authority to bind NH Title Group in this Assurance.

41. By signing below, NH Title Group agrees to comply with all of the terms of this Assurance.

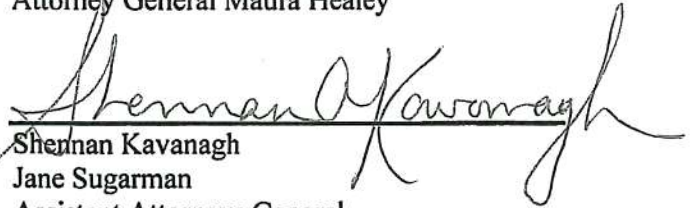


NH Title Group, Inc.



Brooke Dawson  
President

The Commonwealth of Massachusetts  
Attorney General Maura Healey



Shennan Kavanagh  
Jane Sugarman  
Assistant Attorneys General  
Office of the Attorney General  
One Ashburton Place  
Boston, MA 02108

Dated: 6/22/2022

Dated: June 28, 2022