

STATE OF NORTH DAKOTA

DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF BANKERS
HEALTHCARE GROUP, LLC

10234 W. State Road 84
Davie, Florida 33324-4202

Respondent.

**FINDINGS OF FACT, CONCLUSIONS
OF LAW, LICENSE DENIAL,
ORDER TO CEASE AND DESIST, CIVIL
MONEY PENALTY, AND
NOTICE OF RIGHT TO REQUEST
A HEARING**

**THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS OF THE
STATE OF NORTH DAKOTA TO THE ABOVE-NAMED RESPONDENT:**

The Commissioner of the Department of Financial Institutions (“the Department”) has reasonable basis to believe that Bankers Healthcare Group, LLC (doing business as BHG Financial, LLC) (“Respondent”) has engaged in, is engaging in, or is about to engage in, acts, practices, or transactions, as more fully described below, which are prohibited under North Dakota Century Code (N.D.C.C.) Chapter 13-04.1. It is necessary and appropriate in the public interest for the protection of citizens to restrain the unlawful acts, practices, or transactions of Respondents.

FINDINGS OF FACT

WHEREAS:

1. Pursuant to N.D.C.C. § 13-04.1-01, the Department is authorized to license money brokers.
2. Pursuant to N.D.C.C. § 13-04.1-06, the Department has the authority to determine the qualifications of all applicants for a money broker license.

3. Pursuant to N.D.C.C. § 13-04.1-10, the Department is authorized to issue orders, including an order to cease to desist, upon the Commissioner finding a violation of N.D.C.C. ch. 13-04.1 has occurred.
4. Respondent's principal place of business is located at 10234 W. State Road 84, Davie, Florida 33324-4202.
5. Respondent is registered as a business corporation with the North Dakota Secretary of State.
6. Respondent's registered agent in the State of North Dakota is Paracorp Incorporated, 1709 N 19th St STE 3, Bismarck, ND 58501-2121.
7. Respondent, by its own admission, has engaged in the business of money brokering in North Dakota since at least 2018 under the name Bankers Healthcare Group, LLC, or under the tradename BHG Financial, LLC.
8. As of 2018, or any time thereafter, the Respondent did not hold a North Dakota Money Brokers license as required in N.D.C.C. § 13-04.1-02.
9. The Respondent was notified by the Department in a letter dated December 23, 2021, that due to its activities in North Dakota, a money broker license was required. The Department notified Respondent that it must cease money brokering activity until a license is obtained.
10. The Respondent admitted in a letter received January 31, 2022 (hereinafter "January Letter"), that it needed to obtain a money brokering license and stated it would cease conducting activities in North Dakota requiring a money broker license going forward until Respondent received appropriate licensing.

11. Despite Respondent's admission received in its January Letter, that a money broker license was needed and statement to the Department that Respondent would cease its activities in North Dakota until a license was obtained, Respondent continued to engage in money brokering. The Respondent continued to solicit loans to North Dakota residents through mailings and emails, both a type of loan brokering activity, after its January Letter stating that it would not conduct activities requiring a license until a license was obtained.
12. After its January Letter, Respondent brokered 106 additional loans, totaling \$7,291,850.
13. On May 26, 2023, Respondent admitted brokering 251 loans to North Dakota residents since 2018 totaling \$18,480,664.
14. Data contained in an excel spreadsheet and pdf file provided by Respondent illustrated that Respondent's previously reported total of loans was incomplete. Based on the information received from Respondent on December 18, 2023, Respondent brokered at least 46 loans in addition to the 251 previously reported loans, totaling 297 loans. The additional 46 loans totaled \$2,993,096.
15. Loan fees and guarantee fees on the 297 loans totaled \$1,293,689, and the total loan amount for the 297 loans totaled \$21,473,760.
16. Respondent brokered 191 loans without a license prior to notifying the Department in its January Letter that it would cease unlicensed activity. The total of these loans was \$14,181,910. The total loan fees charged for each loan brokered prior to the January Letter, was approximately \$816,026.

17. Overall, the Respondent sent North Dakota residents at least 117,704 mailers, and an undetermined number of emails, both a type of loan brokering activity.
18. The Respondent applied for a money broker's license on May 30, 2023.
19. On June 27, 2023, the Department notified Respondent of the Department's intent to investigate Respondent's money brokering activity in connection with Respondent's pending application for licensure.
20. The Department's investigation of the loan brokering activity by the Respondent established:
 - a. Since 2018, the Respondent sent North Dakota residents at least 117,704 mailers.
 - b. Since 2018 the Respondent brokered loans to North Dakota residents, and such loans were closed as either consumer loans or commercial loans. Brokered loans are typically closed by a third-party bank. Of the loans brokered as commercial loans, 87 appeared to be consumer loans:
 - i. 17 of the 87 customers responded to the Department's request to discuss their loan brokered by Respondent;
 - ii. 10 of the 17 customers that responded to the Department indicated they did not own or did not have intentions to start a business;
 - iii. Loans brokered to consumers but underwritten as commercial loans did not include the required Regulation Z disclosures outlined in 12 Code of Federal Regulations 1026;

- iv. The Respondent knew, or should have known, the true nature of the loans being brokered and failed to identify the type of loan effectively and accurately; and
 - v. The Respondent failed to provide customers with account statements or payoff statements to determine that payments were correctly applied, or the amount needed to fully pay the loan.
- c. Respondent brokered loans to a third-party bank for underwriting. The Respondent subsequently brokered loans to additional third parties.
- d. Respondent brokered loans with contractual late payment charges which exceeds the maximum late payment charge permitted by N.D.C.C. § 13-04.1-09.3(2).
- e. Respondent was required to provide information on late fees charged to North Dakota customers. The request for information was made on October 8, 2024 via the Nationwide Multi-State Licensing System and a response was due from Respondent within two weeks. A response to this request was not received by the Department from Respondent until March 20, 2025. In its response, Respondent admitted to charging and subsequently refunding, a late fee in excess of the statutory limit permitted by N.D.C.C. § 13-04.1-09.3(2).
- f. Respondent was required to provide information on practices related to the sale of consumer data to determine compliance with N.D.C.C. § 13-04.1-02. The request for information was made on June 4, 2024, via the Nationwide Multi-State Licensing System and a response was due from

Respondent within two weeks. A response to this request was not received by the Department from Respondent until March 20, 2025.

CONCLUSIONS OF LAW

Based on the foregoing, the Department hereby finds the following violations have occurred:

21. Respondent operated as a money broker without a license. This conduct is in violation of N.D.C.C. §§ 13-04.1-02; 13-04.1-09(7), (9).
22. Respondent, while unlicensed, solicited loans through mailers and emails to North Dakota residents in violation of N.D.C.C. § 13-04.1-02.
23. Respondent made misleading statements to an examiner. This conduct is defined as a class C felony pursuant to N.D.C.C. § 6-01-29 and violates N.D.C.C. § 13-04.1-09(1), (9) and (11).
24. Respondent brokered loans identified as commercial loans which are consumer loans, and thus failed to provide consumers Regulation Z disclosures as required by 12 Code of Federal Regulations 1026. This conduct violates N.D.C.C. § 13-04.1-09(8).
25. Respondent routinely brokered loans identified as commercial loans which are consumer loans. This is a deceptive practice prohibited N.D.C.C. § 13-04.1-09(4).
26. Respondent brokered loans with contractual late payment charges which violate N.D.C.C. §§ 13-04.1-09.3 and 13-04.1-09(9) and charged a late payment in violation of N.D.C.C. §§ 13-04.1-09.3 and 13-04.1-09(9).

27. The Respondent failed to provide customers with account statements or payoff statements. Failure to provide customers this information is a deceptive practice prohibited by N.D.C.C. §§ 13-04.1-09(4),13-04.1-09(8).
28. Respondent failed to provide information to the Department when requested. This conduct is in violation of N.D.C.C §§ 13-04.1-11.1 and 13-04.1-09(9).

Based upon the foregoing,

29. The Commissioner has determined pursuant to the Department's investigation under N.D.C.C. §§ 13-04.1-06(1) and 13-04.1-11 that facts or conditions exist that establish Respondent is unable to demonstrate that it possesses the character and general fitness required for a license. Therefore, the Commissioner does not believe that Respondent's business will be conducted lawfully and fairly and there are grounds for denying the Respondent's application for a money broker license.
30. The Commissioner has determined pursuant to the Department's investigation under N.D.C.C. §§ 13-04.1-06(1) and 13-04.1-11, that facts or conditions exist establishing that Respondent has engaged in and will continue to engage in unlicensed money brokering activity and noncompliance with N.D.C.C. ch. 13-04.1, despite representations made otherwise to the Department. The Commissioner has, therefore, determined there are grounds for issuing an order to cease and desist pursuant to N.D.C.C. § 13-04.1-10.
31. The Commissioner has determined as a result of the Department's investigation under N.D.C.C. §§ 13-04.1-06(1) and 13-04.1-11 that facts or conditions exist establishing grounds for issuing a civil money penalty pursuant to N.D.C.C. § 13-04.1-13.

ORDER

NOW, THEREFORE, pursuant to N.D.C.C. ch. 13-04.1, the application for a money broker license of the Respondent, Bankers Healthcare Group, Inc. d/b/a BHG Financial, LLC, is **DENIED**, meaning Respondent may not engage in any money brokering activities in the State of North Dakota.

IT IS ORDERED, pursuant to N.D.C.C. ch. 13-04.1, the Respondent, Bankers Healthcare Group, Inc. d/b/a BHG Financial, LLC, cease and desist all money brokering activities in the State of North Dakota.

The Commissioner, pursuant to her authority in N.D.C.C. § 13-04.1-13, may impose a civil money penalty of up to one-hundred thousand dollars for each violation of N.D.C.C. ch. 13-04.1. **THEREFORE IT IS ORDERED** that Respondent, Bankers Healthcare Group, Inc. d/b/a BHG Financial, LLC, must pay a total civil money penalty in the amount of \$7,115,895, calculated as follows:

1. Respondent brokered 191 loans without a license prior to notifying the Department in its January Letter that it would cease unlicensed activity. The total of these loans was approximately \$14,181,910. For each loan brokered prior to its January Letter, Respondent must pay the loan fees Respondent has charged on each loan totaling \$816,026.
2. After Respondent admitted to the Department in its January Letter that it needed a money broker license to conduct its business and represented to the Department that it would cease its unlicensed money brokering activity in North Dakota, Respondent brokered an additional 106 loans. The total amount of the 106 loans was \$7,291,850. The Commissioner has determined that such action

of knowingly committing additional violations of N.D.C.C. ch. 13-04.1, and being untruthful with the Department, exacerbate Respondent's continued violation of N.D.C.C. ch. 13-04.1. Therefore, Respondent must pay the amount of each loan brokered after its January Letter. Where the amount of the loan exceeds \$100,000.00, the Commissioner has determined that the maximum penalty of \$100,000.00 will be assessed for the loan knowingly brokered without a license, for a total amount of \$6,182,165.

3. The Respondent sent North Dakota residents at least 117,704 mailers since 2018. These loan solicitations are a violation of N.D.C.C. § 13-04.1-02 and for which Respondent will be assessed a civil money penalty of \$1 per mailing for a total of \$117,704.

NOTICE OF RIGHT TO REQUEST A HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 13-04.1-10 you may request a hearing WITHIN TEN (10) DAYS OF THE DATE THIS ORDER IS SERVED UPON YOU, to be held pursuant to chapter 28-32 regarding the cease and desist order. Your request must be made in writing to the Commissioner WITHIN TEN (10) DAYS OF THE DATE THIS ORDER IS SERVED UPON YOU.

YOU ARE FURTHER NOTIFIED that pursuant to N.D.C.C. § 13-04.1-13 and N.D.C.C. ch. 28-32 you may request a hearing WITHIN TWENTY (20) DAYS OF THE DATE THIS ORDER IS SERVED UPON YOU, to be held pursuant to chapter 28-32 regarding the denial of a money broker license and assessment of civil money penalties. Your request must be made in writing to the Commissioner WITHIN TWENTY (20) DAYS OF THE DATE THIS ORDER IS SERVED UPON YOU.

Failure to timely request a hearing within the above specified time frame, will result in the Order becoming final.

Dated this 31st day of March, 2025.

STATE OF NORTH DAKOTA
DEPARTMENT OF FINANCIAL INSTITUTIONS

By: 

Lise Kruse, Commissioner