



State of Rhode Island
Department of Business Regulation



DIVISION OF BANKING
1511 Pontiac Avenue, Bldg. 68-2
Cranston, Rhode Island 02920
Telephone: (401) 462-9503 – Facsimile: (401) 462-9532

APPLICATION FOR SMALL LOAN LENDER

Dear Applicant:

Enclosed is the application package you requested. For each application filed, applicant must execute a Power of Attorney, unless exempt pursuant to R. I. Gen. Laws § 19-14-10, as amended, and submit a Power of Attorney Filing Fee of Twenty-Five Dollars (\$25).

A non-refundable investigation fee of Two Hundred Seventy Five Dollars (\$275) for each Small Loan Lender Application is required. **IF THE APPLICATION IS APPROVED**, an annual license fee for each license approved shall be paid pursuant to R. I. Gen. Laws § 19-14-4.

All information and documentation requested must be submitted concurrently, pursuant to R. I. Gen. Laws § 19-14-8. If, within sixty (60) days of the initial filing of the application, the applicant has failed to provide the necessary factual data in order to complete the application, the director or the director's designee shall notice the applicant, by certified mail, that the application shall be considered in default and rejected if all necessary data for a completed application is not received by the Division of Banking ("Division") on or before the date specified in the notice unless the applicant files with the Division written notice that the application has been withdrawn.

If this application was received more than six (6) months before the expected filing date please contact this office to confirm that the forms provided are still in use. Any questions regarding this application or the applicable bond should be directed to the Principal Licensing Examiner at (401) 462-9564.

Cover Small Loan Lender Rev. 03/25/2011



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APPLICATION FOR SMALL LOAN LENDER

Application is hereby made pursuant to Chapter 14 of Title 19 of the General Laws of Rhode Island for a license to engage in the business indicated below:

_____ **Section 19-14.2 Small Loan Lender** - Any lender engaged in the business of making a loan of less than five thousand dollars (\$5,000.00), not secured by real estate, made pursuant to the provisions of Chapter 19-14.2.

1. Name and Address of Applicant:

FEDERAL EMPLOYER IDENTIFICATION NUMBER _____

Name of Applicant _____

Street Address _____

City, State, Zip Code _____

Telephone Number _____

2. Name Under Which Business is to be Transacted (if other than the name in #1 above):

_____ [Attach the D/B/A Form / Fictitious Name Statement from the appropriate City, Town, County, or State authority.]

3. Main Office Address at which the Business will be conducted:

Street Address _____

City, State, Zip Code _____

Telephone Number _____

A Zoning Certificate is required if the above location is a residence. A license may be issued to a location outside of the State of Rhode Island.

The license applied for will be issued in the name provided in #2 above for business to be conducted at the address provided in #3 above. License renewal and annual report forms as well as other mail will be sent to the main office address (#3 above). It is the obligation of the licensee to ensure that deadlines for renewal and reporting are met, and that local managers forward all such correspondence to the official responsible for completing and filing such forms in a timely manner.

4. **Branch locations:**

Will the applicant be engaged in the business for which the license is being requested at any location(s) other than the main office location listed in item 3 above?

YES _____ NO _____

If **YES**, the applicant must complete and file an application for a branch certificate for each location from which it intends to be engaged in the business for which the license is being requested.

5. **Other Business:**

Will any business other than lending or loan brokering/small loan lender be conducted at any location for which the license is being requested?

YES _____ NO _____

If YES, applicant must provide the following information:

- a. A description of the other business(es);
- b. The names of the principals of the other business(es) being requested and their relationship to applicant; and
- c. The relationship, if any, between applicant and the other business(es) such as financial arrangements, sharing of common floor space, sharing of equipment, common entrance, common signage, referrals, etc.
- d. A floor plan that clearly identifies the locations where the other business will be conducted in relation to the lending or loan brokering activity.

No such other business shall be conducted at any location for which a Rhode Island license may be issued, until authorized in writing by the Director of Business Regulation (“Director”) or the Director’s designee pursuant to R. I. Gen. Laws § 19-14-24.

6. **Is the Applicant Licensed in any Other State?**

YES _____ NO _____

If **YES**, complete Part I and forward to the other state(s) for completion of Part II, of the enclosed **Certification by Licensing Agency/Supervisory Board** form along with a stamped envelope addressed to the Rhode Island Division of Banking with each form. Attach a schedule listing the name and address of the licensing authority for each state where the applicant is authorized to do business.

Will the Applicant conduct the business of lending/loan brokering which is subject to the laws of another state at the location for which a Rhode Island license is being requested?

YES _____ NO _____

7. **Form of organization (Check Only One):**

- | | |
|---------------------------------|---------------------------|
| _____ Corporation | _____ General Partnership |
| _____ Limited Liability Company | _____ Sole Proprietorship |
| _____ Limited Partnership | _____ Association |
| _____ Other (explain) _____ | |

State in which business is organized _____

8. Manager of Proposed License:

Provide the information requested below for the person designated to operate the licensed business:

Name _____
Residence Address _____
City, State, Zip Code _____
Date of Birth _____

The individual named above must have at least five (5) years of experience in the type of business for which a license is being sought, including, without limitation, employment, supervision, or independent work experience. Attach a resume and employment history. The employment history must include then names and addresses of present and former employers and the number, complexity and types of transactions handled in relation to the type of license sought by the application. Experience for a lessor period than five (5) years will be considered in individual circumstances depending upon such factors as the individual's educational experience, the complexity of transactions in relation to the type of license sought by the application and the level of supervision and oversight over the individual by a person having at least five (5) years of qualified experience.

To enable the Division to determine whether the applicant will operate the business honestly and in accordance with the standards established in Title 19, Chapter 14, a criminal background check will be made of all proprietors, managers, partners and officers. All information received as the result of this criminal background check will not be open to public inspection at anytime. Each proprietor, manager, partner, principal stockholder, and officer must submit the following:

- a. Completed Authorization for Background Check and Release Form;
- b. Two (2) FBI fingerprint cards (Division of Banking DOES NOT supply cards);
- c. Completed Certification of Fingerprinting Form (available at www.dbr.ri.gov home page);
- d. A check in the amount of thirty-five dollars (\$35.00) for each individual payable to "BCI" for the cost of each Background Check;
- e. A signed personal financial statement (available at www.dbr.ri.gov home page), representing each individual's respective financial position within the sixty (60) day period leading up to the filing of the initial application.

9. History of Applicant:

Respond **YES or NO** in the space provided and attach a signed explanation for all affirmative responses on a separate sheet for questions A through E below. Has applicant ever:

- a. Made application for a financial license in this state or any other state that was denied, refused or withdrawn, or had a financial license suspended, revoked or cancelled?
YES _____ NO _____
- b. Been enjoined or restrained by order of any court from continuing any conduct or practice in connection with the type of activity for which a license is being requested?
YES _____ NO _____

c. Adversely been the subject of or named in any order issued by any court, official or agency of any state or other authority engaged in regulating the business activity for which a license is being requested?
YES _____ NO _____

d. Been the subject of any bankruptcy, receivership, or insolvency proceedings?
YES _____ NO _____

e. For any violation of law other than a motor vehicle violation been (check all that apply)?
Arrested: YES _____ NO _____ Prosecuted: YES _____ NO _____
Indicted: YES _____ NO _____ Convicted: YES _____ NO _____

10. Agent for Service of Process:

Provide the information requested below for the attorney in Rhode Island, other than the manager or an official of the applicant, or company who will accept service of process pursuant to R. I. Gen. Laws § 19-14-10:

Name _____
Street Address _____
City, State, Zip Code _____
Telephone Number _____

11. Enclose the following:

The information requested below for the person located in Rhode Island that the applicant has designated as its resident agent with authority to endorse insurance claim checks on behalf of the applicant pursuant to R. I. Gen. Laws §§ 5-38-26 and 27-5-3.3. This requirement is applicable whether or not the applicant will service loans funded with ownership retained. This requirement does not apply to applicants whose loans will be sold upon funding or to applicants that do not make loans secured by insurable collateral.

Name _____
Street Address _____
City, State, Zip _____
Telephone Number _____

12. Provide the Following:

- a. A description of past activities conducted by the applicant and a history of operations. If applicant is a new business, **a three (3) year business plan** must be provided which includes prospective statements of condition and statements of income and expenses prepared in accordance with generally accepted accounting principles.
- b. A description of the business activities in which the applicant seeks to be engaged in this State.
- c. A statement that describes the community to be served by the applicant and how the proposed licensee will promote the convenience and advantage of the community to be served.

- d. An investigation fee for each application submitted, made payable to the General Treasurer, State of Rhode Island, as provided in R. I. Gen. Laws § 19-14-3 as follows:

Small Loan Lender \$275.00

If the license application is approved, a license fee will be requested. Do not send the license fee with the application as it will be returned and may result in delays in the processing of the application.

- e. A financial statement **signed by an authorized officer of applicant** for the proposed licensed business prepared and dated **not more than sixty (60) days** prior to the application date showing assets, liabilities and net worth, prepared in accordance with generally accepted accounting principles. Each licensee must maintain minimum net worth as indicated below:

MINIMUM NET WORTH REQUIREMENTS

Small Loan Lender \$25,000.00

- f. A Power of Attorney, pursuant to R. I. Gen. Laws § 19-14-10, on the form provided naming the attorney for the service of process as shown on question number 10 and a \$25 filing fee. *(CORPORATIONS THAT HAVE COMPLIED WITH THE PROVISIONS OF CHAPTER 1.1 OF TITLE 7, AND LIMITED PARTNERSHIPS OR LIMITED LIABILITY COMPANIES THAT HAVE COMPLIED WITH THE PROVISIONS OF CHAPTERS 13 AND 16, RESPECTIVELY, OF TITLE 7, ARE EXEMPT FROM THE POWER OF ATTORNEY FILING.)*

- g. A bond on the form provided, **executed by a SURETY COMPANY** licensed to do business in Rhode Island, in the amount as indicated below. The bond form should be photocopied as necessary. The bond must be issued to the applicant as stated in the response to question two (2) of page one (1) of the application showing the address of the proposed licensed main office. If the applicant will be using a d/b/a, the bond should be executed as "[Applicant] d/b/a [Name to be Used]". The bond must contain original signatures of both an officer of the Applicant and a Representative of the Surety and include a surety power of attorney for the individual signing on behalf of the surety.

MINIMUM BOND REQUIREMENTS

Small Loan Lender \$10,000.00

NOTE: Any bond executed pursuant to this application shall be retained by the Division of Banking, after the surrender or revocation of the applicable license or the cancellation of said bond, for a period of time sufficient to exhaust the statute of limitations for causes of action related to the licensed activities of the applicant.

13. All Corporate and Limited Liability Company Applicants Provide the Following:

- a. Name (complete first name), title, residence and business address, **date of birth** and name of other business or occupation of all officers, directors and/or members **along with the following items:**
- i. Completed Authorization for Background Check and Release Form;
 - ii. Two (2) FBI fingerprint cards (Division of Banking DOES NOT supply cards);
 - iii. Completed Certification of Fingerprinting Form (available at www.dbr.ri.gov home page);

- iv. A check in the amount of thirty-five dollars (\$35.00) for each individual payable to “BCI” for the cost of each Background Check;
 - v. A signed personal financial statement (available at www.dbr.ri.gov home page), representing each individual’s respective financial position within the sixty (60) day period leading up to the filing of the initial application.
- b. The names (complete first name) of any holder of 10% or more of the outstanding voting stock or equity interest in the applicant. Include residence and business address, **date of birth** and name of other business or occupation **along with the following items:**
- i. Completed Authorization for Background Check and Release Form;
 - ii. Two (2) FBI fingerprint cards (Division of Banking DOES NOT supply cards);
 - iii. Completed Certification of Fingerprinting Form (available at www.dbr.ri.gov home page);
 - iv. A check in the amount of thirty-five dollars (\$35.00) for each individual payable to “BCI” for the cost of each Background Check;
 - v. A signed personal financial statement (available at www.dbr.ri.gov home page), representing each individual’s respective financial position within the sixty (60) day period leading up to the filing of the initial application.
- c. A certified copy of the corporate charter or articles of incorporation, if a corporation, or articles of organization, if a limited liability company.
- d. A certified copy of the corporate by-laws, if a corporation, or the operating agreement, if a limited liability company.
- e. A description of the business structure of the applicant, including the identity of any parent or subsidiary of the applicant, and the disclosure of whether any parent or subsidiary is publicly traded on any stock exchange.
- f. A certified copy of the resolution of the board of directors, which authorizes the filing of this application. The officers/persons who sign this application **must** be named in the resolution. Limited liability companies must provide a substantially similar resolution.
- g. **If a corporation**, a Certificate of Authority or a Certificate of Good Standing dated not more than sixty (60) days from the filing of this application **issued by the Rhode Island Secretary of State.**

If a limited liability company, a Certificate of Good Standing or a Certificate of Registration dated not more than sixty (60) days from the filing of this application **issued by the Rhode Island Secretary of State.**

14. All Partnership and Association Applicants Provide the Following:

- a. Name (complete first name), title, ownership percentages and name of other business or occupation of each partner **along with the following items:**
 - i. Completed Authorization for Background Check and Release Form;

- ii. Two (2) FBI fingerprint cards (Division of Banking DOES NOT supply cards);
 - iii. Completed Certification of Fingerprinting Form (available at www.dbr.ri.gov home page);
 - iv. A check in the amount of thirty-five dollars (\$35.00) for each individual payable to “BCI” for the cost of each Background Check;
 - v. A signed personal financial statement (available at www.dbr.ri.gov home page), representing each individual’s respective financial position within the sixty (60) day period leading up to the filing of the initial application.
- b. A certified copy of the Articles of Partnership or Association.
 - c. A certified copy of the resolution of the partners, which names the officers/persons, authorized to file and sign this application.
 - d. Limited Partnerships must provide a Certificate of Limited Partnership from the Rhode Island Secretary of State.
 - e. General Partnerships must provide a Certificate of General Partnership from the City or Town in which they are registered.

15. All Sole Proprietorships Applicants Provide the Following:

- a. The owner of the proprietorship shall also file **the following items:**
 - i. Completed Authorization for Background Check and Release Form;
 - ii. Two (2) FBI fingerprint cards (Division of Banking DOES NOT supply cards);
 - iii. Completed Certification of Fingerprinting Form (available at www.dbr.ri.gov home page);
 - iv. A check in the amount of thirty-five dollars (\$35.00) for each individual payable to “BCI” for the cost of each Background Check;
 - v. A signed financial statement (available at www.dbr.ri.gov home page), representing the individual’s financial position within the sixty (60) day period leading up to the filing of the initial application. This financial statement should reflect both the assets and liabilities of both the individual owner and the Applicant.

16. Applicant’s Attestation:

By Signing this Application, the Undersigned Attests to the Fact That, as a Condition of Licensing, the Applicant Agrees to the Following:

- a. To inform the Division of Banking **prior to** any changes (changes reported on the annual report do not constitute proper notification) relative to:
 - i. Location of its main or branch offices;
 - ii. Location of its records;
 - iii. Manager of licensed or branch office;
 - iv. Ownership of the business;
 - v. Name or d/b/a of applicant;
 - vi. The bond of the applicant; and
 - vii. Responses to questions 5, 7, 9, 10, 11 and non-financial information contained in questions 14, 15 and 16.
- b. That it has obtained and reviewed copies of all applicable state and federal regulations and statutes governing the proposed business activity. Copies of the relevant regulations and statutes may be obtained from the following agencies:

Rhode Island Statutes

LexisNexis
 Mathew Bender & Co., Inc.
 1275 Broadway
 Albany, NY 12204-2694
 1-800-562-1197 or www.lexisnexis.com/bookstore

Rhode Island General Assembly
 State House
 Providence, RI 02903
www.ri.gov

Rhode Island Regulations
 1511 Pontiac Avenue, Bldg. 68-2
 Cranston, RI 02920
 (401) 462-9503 or www.dbr.ri.gov

Federal Regulations
 600 Atlantic Avenue
 Boston, MA 02106
 (617) 973-3000

- c. That any licensee who maintains its records in an out-of-state office will pay all examiners' expenses incurred in order to conduct an examination of the books and records at said out-of-state facility, in addition to any examination fees allowed by statute.
- d. That there is no statutory provision for an "inactive" license. Any licensee whose license has not been surrendered or revoked shall be subject to all provisions of statute and regulations, which are applicable to a licensee.
- e. That it shall comply with all statutory reporting and filing requirements and that all examination and filing fees will be paid.
- f. That any written or oral advertisement or representation disseminated primarily in this state shall disclose the type of license held.
- g. **NET BRANCH AND/OR NET BRANCH ARRANGEMENTS**

Applicant further attests to the fact that Applicant has read the enclosed Banking Bulletin Number 2003-2 entitled Prohibited Net Branches & Net Branching Arrangements and that Applicant does not and will not transact the business under the license requested by this application in any manner which would involve either a net branch or a net branch arrangement, as defined in said Banking Bulletin Number 2003-2.



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SMALL LOAN LENDER BOND

BOND NUMBER _____

WHEREAS application has been made to the Director of Business Regulation of the State of Rhode Island and Providence Plantations by:

Name: _____

Address: _____

City, State, Zip: _____

Note: If sole proprietorship, give full individual name and business address. Give trade name if applicable.
If partnership, give full partnership name and business address. Give trade name if applicable.
If corporation of LLC, give full business name and business address and State where organized. Give trade name if applicable.

Hereinafter referred to as "applicant" or "obligor", for a license to conduct, in the State of Rhode Island the business of a small loan lender as provided for by Title 19, Chapters 14 and 14.1 of the General Laws of Rhode Island 1956, as amended.

WHEREAS said applicant is required to execute one bond payable to said State of Rhode Island in the penal sum of Ten Thousand Dollars (\$10,000) plus and additional sum of Five Thousand Dollars (\$5,000) for each branch location from which it shall conduct the business provided for by Title 19, Chapters 14 and 14.1 of the General Laws of Rhode Island 1956, as amended, and file the same with the Director of Business Regulation.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

That said applicant known as, _____ (insert full name)

or as any future name by which said organization shall be known as obligor, and
_____ (insert full name and address of surety)

are held and firmly bound unto the State of Rhode Island and Providence Plantations, for the use of said State and of any person or persons, who may have a cause of action against said obligor of this bond under the provisions of said chapters, in the penal sum of _____ Thousand Dollars (\$ _____) in the aggregate to be paid unto said State of Rhode Island and Providence Plantations, to which payment well and truly to be made we bind ourselves, our and each of our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS BOND IS SUCH that if the above bounden obligor shall conform to and abide by each and every provision of said Chapters, the title of which is above set forth, and all amendments thereto and all rules and regulations lawfully made by the Director of Business Regulation there under, and shall pay to said State and to any such person or persons any and all monies that may become due or owing to said State and/or to such person or persons from said obligor, under and by virtue of the provisions of said Chapters, then this obligation shall be void, but otherwise shall remain in full force and effect.

This bond shall continue in force and effect unless, as to future acts or omissions of the Obligor, it is terminated or cancelled:

- (1) By order of the Director; or
(2) By the Surety delivering on or before November 30 written notice to said Division of Banking that the same will be cancelled on December 31st. The bond may be cancelled before December 31st upon notice and payment of a Twenty-five Dollars (\$25) Cancellation fee.
(3) Termination shall not become effective until thirty (30) days after the Division of Banking has received written notice.

Such cancellation shall not affect any liability incurred or accrued hereunder prior to the cancellation of said bond by said Division or termination by Surety, which liability shall continue until the expiration of the applicable statute of limitations for causes of action.

This bond shall take effect on and as of _____, 20 _____ and shall continue in force until it is terminated or cancelled.

NOTE: Any bond executed pursuant to the license being requested shall be retained by the Division of Banking, after the surrender or revocation of the applicable license, or the cancellation of said bond, for a period of time sufficient to exhaust the statute of limitations for causes of action related to those activities governed by the license being requested. The bond may, however, be returned to the applicant upon withdrawal or denial of the license application.

IN WITNESS WHEREOF we have hereunto set our hands and seals, this _____ day of _____ 20 _____

Sole Proprietor BY: _____

Partnership/Association Name: _____ (If partnership, each partner must sign)

Partner BY: _____ Partner BY: _____

Corporation Name: _____ BY (Authorized Officer): _____

Surety Name: _____

Surety's Attorney-in-Fact BY: _____



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CUSTOMER COMMUNICATION CONTACT FORM

**THIS FORM MUST BE COMPLETED AND SIGNED BY AN AUTHORIZED AGENT
OF THE LICENSEE AND RETURNED WITH YOUR LICENSE APPLICATION**

This Division receives communications from consumers from time to time that require contact with a licensee. So we may promptly contact the person in your company with responsibility for resolving consumer inquiries or complaints, please provide the following:

1. Name of Applicant _____
2. D/B/A, if applicable _____
3. Proposed Main Office Licensed Location
Street Address _____
City, State, Zip Code _____
4. Hours of Operation _____
5. Contact Person
Name _____
Title _____
Street Address _____
City, State, Zip Code _____
Telephone Number _____
(Please provide Toll-free number, if available)
E-mail Address: _____
6. Signature _____
Title _____
Date _____



State of Rhode Island
Department of Business Regulation



POWER OF ATTORNEY

\$25 FILING FEE REQUIRED

Know All Men by these Presents

That I _____ of the City of _____
in the County of _____ and the State of _____
having applied to be licensed by the Division of Banking of the Department of Business Regulation in the
State of Rhode Island and Providence Plantations as provided by Title 19 Chapter 14, as amended, of the
General Laws of Rhode Island as amended, do hereby make, constitute and appoint _____
_____ of _____ in the City of _____ in the State of Rhode Island my true
and lawful attorney in the state of Rhode Island upon whom all lawful process in any action or proceeding
against me may be served in like manner with the same legal force and effect as if I had been lawfully served
with said process therein as provided by the laws of the State of Rhode Island; and said _____
_____ such attorney, is hereby authorized and empowered as my said agent to receive and accept service
of any process, writ, summons or order whereby any suit, action, or proceeding shall be commenced against
me which is served on _____ shall have the same legal force and effect as if served on
me with the State of Rhode Island.

The authority given in this appointment shall continue in force so long as any liability to any resident of this
state remains unsatisfied.

In Witness Whereof I have hereunto set my hand and seal on this _____ day of _____ 20____

Signature

In the presence of

- 1. WITNESS _____
- 2. WITNESS _____

State of _____ County of _____

At _____ in said County, on this _____ day of _____ 20____,

before me personally appeared _____ and acknowledged
the foreign instrument, by him sealed and subscribed, to be his free act and deed.

Before Me _____
(Notary Public)

NOTARY
SEAL

My Commission expires _____

**Any applicant, who is a corporation that has complied with the provisions of Chapter 1.1 of Title 7, and
any applicant, who is a limited partnership or limited liability company and has complied with the
provisions of Chapters 13 and 16, respectively, of Title 7, is exempt from the submission of this Power
of Attorney.**



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AUTHORIZATION FOR BACKGROUND CHECK AND RELEASE

Company Name _____
 Address _____
 City, State, Zip Code _____

I, _____,
 (Type or Print Full Name and Title)

of _____,
 (Type or Print Residence Address, City, State, Zip Code)

having a date of birth of _____ and social security number of _____ hereby voluntarily direct and authorize the Division of Banking of the Department of Business Regulation to utilize the above information as part of its evaluation of my general character and financial condition. The information may be used for purposes of obtaining a credit report on me and/or may be shared with the Bureau of Criminal Identification of the Department of the Attorney General for the State of Rhode Island to make available to the Department of Business Regulation any criminal record or other disposition that the Bureau of Criminal Identification has on file in reference to me.

I hereby waive and release any and all manner of actions, cause of actions, and demands of every kind, nature and description, arising from any release of criminal records and requests there from, whatsoever against the State of Rhode Island, the Bureau of Criminal Identification, the Attorney General, the Department of Business Regulation, the employees of the Attorney General's Office and the employees and officials of the Department of Business Regulation in both law and equity which I may now have or in the future may have.

Upon submission of an application for licensure or a change in a licensee's officers, directors, manager or principal owner as defined in R. I. Gen. Laws § 19-14-1(10), each such officer, director, manager or principal owner must provide a signed response to the questions on Page 2 of 2. An affirmative response to any question requires a signed explanation. (Additional copies of this form may be reproduced as needed.)

Company Name _____

Individual's Name _____
(Type or Print)

Has the director, officer, manager or principal stockholder or any organization in which said person served as a director, officer, manager, or a principal stockholder ever:

1. Made application for a financial license in this state or any other state that was denied, refused or withdrawn, or had a financial license suspended, revoked or canceled?
YES _____ NO _____

2. Been enjoined or restrained by order of any court from continuing any conduct or practice in connection with the type of activity for which a license is being requested?
YES _____ NO _____

3. Adversely been the subject of or named in any order issued by any court, official or agency of any state or other authority engaged in regulating the business activity for which a license is being requested?
YES _____ NO _____

4. Been the subject of any bankruptcy, receivership, or insolvency proceedings?
YES _____ NO _____

5. For any violation of law other than a motor vehicle violation been (check all that apply):

Arrested YES _____ NO _____ Prosecuted YES _____ NO _____

Indicted YES _____ NO _____ Convicted YES _____ NO _____

6. Attach copy of a Photo ID (i.e. Valid Drivers License or ID Card.)

7. Manager's must also attach a resume that details the individual's work experience for a minimum of five (5) years immediately preceding this filing, educational background, and designations achieved.

The undersigned certifies that the above responses are true and accurate to the best of my knowledge and belief.

Full Name (Type or Print) _____ Title _____

Signature _____ Date _____

Notary Public _____

Notary Seal

My Commission Expires _____, 20_____



State of Rhode Island Department of Business Regulation



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CERTIFICATION BY LICENSING AGENCY / SUPERVISORY BOARD

I - APPLICANT SECTION

Applicant must complete the Applicant Section of this form and forward the entire form (front and back) to the agency / board of each state where it is currently licensed or certified.

1. Applicant's name as it will appear on the License in Rhode Island:	2. Actual name of applicant:
3. Applicant's proposed address and telephone number for the Rhode Island license (include Street, City, Zip Code):	4. Applicant's main address and telephone number (include Street, City, Zip Code):
5. Applicant's Federal Employer Identification Number (FEIN):	6. Type of ownership: <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship
7. Name of manager for proposed Rhode Island licensed office:	8. Type of license for which application is being filed:
9. Name of principal owners (Holders of 10% or more of voting stock): _____ _____ _____	

Information specific to each state where applicant is currently licensed:

A. Applicant's name in that state:	B. Assumed name or name under which Applicant did or is doing business in that state:
C. Address in that state, if applicable (include Street, City, Zip Code):	D. Issue and expiration date of license, certificate of registration or permit to do business: Issue Date: _____ Expiration Date: _____
E. Type and number of license / registration held in that state: License Type: _____ License Number: _____	

The undersigned hereby authorize the licensing/supervisory agency for the state of _____ to furnish the State of _____ (State Providing Information)

Rhode Island Department of Business Regulation, Division of Banking, the information requested in Section II of this form.

Name (please print or type) _____ Title: _____

Signature: _____ Date: _____

II - LICENSING / SUPERVISORY AGENCY SECTION

Please return this completed form to the address at the bottom of this page. Enter N/A in areas not applicable. The Rhode Island Division of Banking will accept other forms of certification provided that all applicable information requested on this form is contained in the Certification. If the type of license in question is issued by a different agency in your state, please forward this inquiry to that agency.

<p>1. Is the Information in Question 10 of Section I accurate?</p> <p align="center">_____ Yes _____ No</p> <p>If no, please print accurate information here:</p>	<p>2. Current Status of License \ Registration:</p> <p align="center">_____ Active _____ Lapsed</p> <p align="center">_____ Other (please explain here:</p>
<p>3. What kind of records, if any, must the company maintain in your state?</p>	

Disciplinary Actions

<p>A. Have there been any complaints filed against the aforementioned company in the past three (3) years?</p> <p align="center">_____ No ___ Yes</p> <p>If yes, please summarize the complaint and describe the resolution. # Filed _____ # Outstanding _____ Additional sheets may be used if necessary.</p>
<p>B. Have there been any formal sanctions imposed against the aforementioned company as a matter of public record indicating but not limited to fine, reprimand, probation, censure, revocation, suspension, or restriction? _____ No _____ Yes</p> <p>If yes, attach a copy of the disciplinary action</p>
<p>C. The Division of Banking would appreciate additional comments regarding matters, which are not a public record.</p>

I certify that the information contained in Section II herein or attached is true and correct according to the official records of this State.

Print Name	Title
Signature	Date
Agency / Board	Address (Street, City, Zip Code)
Telephone Number	

RETURN FORM TO:

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF BANKING
1511 Pontiac Avenue, Bldg. 68-2
Cranston, Rhode Island 02920



State of Rhode Island
Department of Business Regulation



Banking Bulletin Number 2003-2

Prohibited Net Branches & Net Branching Arrangements

The Department of Business Regulation (“Department”) Division of Banking is responsible for the licensing and regulation of various activities as described in R. I. Gen. Laws §19-14-1 *et seq.* and §19-14.1 *et seq.* (the “Licensing Statutes”), including lending and loan brokering activities.

It has come to the Department’s attention that some Rhode Island licensed lenders and loan brokers are engaging in prohibited types of “branch office” arrangements referred to as “net branches”. This bulletin provides guidance and clarification regarding the Department’s requirements for branch offices of Rhode Island licensed lenders, small loan lenders and loan brokers.

Net Branch – A net branch is an office at which a lender, small loan lender or loan broker allows a separate company, lender, small loan lender or loan broker that does not hold a valid Rhode Island lender, small loan lender or loan broker license, to originate loans under the Rhode Island licensed lender, small loan lender or loan broker license.

Net Branch Arrangement – A net branch arrangement is an arrangement in which a Rhode Island licensed person or entity enters into an agreement whereby its designated branch manager has the appearance of ownership of the licensee by, among other things, sharing in the profits and/or losses¹, establishing, leasing or renting the branch premises, entering into other contractual relationships with vendors such as telephones, utilities, and advertising, having control of a corporate checkbook, and/or exercising control of personnel through the power to hire or fire such individuals. An entity may be considered to be utilizing a net branch if the net branch agreement requires the branch manager to indemnify the licensee for damages from any apparent, express, or implied agency representation by or through the branch’s actions or if the agreement requires the branch manager to issue a personal check to cover operating expenses whether or not funds are available from an operating account of the licensee.

¹ A branch manager’s compensation that is based upon the net profit of the branch is an acceptable branch compensation arrangement if the Licensee collects the revenue from the branch, pays the branch expenses including the compensation of all employees of the Licensee main and branch offices, and then pays the branch manager the remaining revenues, if any, as a commission. The distinction between an acceptable and unacceptable branch compensation plan is whether the Licensee pays the expenses of the branch. If the Licensee pays the expenses, the arrangement is acceptable. If, however, the expenses are paid by the branch manager from a personal or non-Licensee account (or by some third party), the arrangement is prohibited.

The purpose of this bulletin is two-fold:

1. For Lenders and Loan Brokers currently licensed, the Division is issuing this Bulletin to clarify that “net branches” and “net branching arrangements” are prohibited. It is a violation of state law for a Rhode Island licensed lender, small loan lender or loan Broker to pay, *directly or indirectly*, a fee to any person or entity not properly licensed pursuant to the Licensing Statutes.
2. For individuals or entities not yet licensed, please be advised that Rhode Island Law prohibits any individual or entity not properly licensed from receiving any fee(s) in connection with loan brokering activities described under the Licensing Statutes.

Please be aware that violations of Chapter 19-14-1 *et seq.* may result in serious penalties as delineated below:

1. For Rhode Island licensed lenders, small loan lenders and loan brokers licensed, the Department may initiate a license revocation or suspension proceeding pursuant to R. I. Gen. Laws §§ 19-14-13 or 19-14-15 and/or seek forfeiture of interest, fees and charges pursuant to R. I. Gen. Laws §§ 19-14-26 and 19-14-26.1.
2. For individuals or entities not licensed, violations may result in the issuance of a cease and desist order by the Department pursuant to R. I. Gen. Laws §§ 19-14-23 and/or criminal penalties and fines under to R. I. Gen. Laws §§ 19-14-23, 19-14-26 and 19-14-26.1. Lenders, small loan lenders and loan brokers should review their respective responsibilities under the Licensing Statutes carefully and act accordingly.

The Division will conduct field audits and/or desk examinations to ensure compliance with these provisions.

Marilyn Shannon McConaghy, Esq.
Director, Department of Business Regulation
Effective Date: October 3, 2003