

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**Before the Director of the Department of Insurance and Financial Services**

In the matter of:

**Department of Insurance and Financial Services**

**Enforcement Case No. 13-11854**

**Agency No. 13-015-RL**

Petitioner,

v

**Hydra Financial Limited,  
Hydra Financial Limited Fund I,  
Hydra Financial Limited Fund II, and  
Hydra Financial Limited Fund III,**

Respondents.

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Issued and entered,  
this 25<sup>th</sup> day of September, 2014  
by Rhonda J. Fossitt  
Senior Deputy Director

**ORDER TO CEASE AND DESIST**

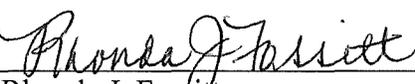
**FINDINGS OF FACT and CONCLUSIONS OF LAW**

1. On May 12, 2014, the Senior Deputy Director issued an Administrative Complaint and Notice of Intention to Issue a Cease and Desist Order (Notice) pursuant to Section 9a of the Michigan Regulatory Loan Act (RLA), MCL 493.9a, against Respondents.
2. The Notice contained Factual Allegations describing alleged illegal practices or violations.
3. The Notice included a Notice of Hearing and an Order for Hearing setting a hearing date of August 12, 2014.
4. The Notice was mailed to Respondents at the last known addresses of record.
5. Respondents replied to the Notice and refused to consent to Michigan jurisdiction.
6. Respondents failed to appear at the time and place set for the hearing.

7. Section 9a(3) of the RLA, MCL 493.9a(3), provides, "If the [Respondent] fails to appear at the hearing by a duly authorized representative, the [Respondent] shall have consented to the issuance of the cease and desist order."
8. Because Respondents failed to appear at the properly noticed hearing, pursuant to Section 9a(3) of the RLA, Respondents have consented to the issuance of a cease and desist order.
9. Respondents engaged in the business of making loans within the state of Michigan to Michigan residents, through its interactive website, without a proper license and charged a greater rate of interest, or consideration, than permitted by law.
10. The ongoing business operations of Respondents pose a threat of financial loss and threat to the public welfare and constitute a continuing violation of the RLA.

NOW, THEREFORE, having considered the allegations in the Administrative Complaint and Notice of Intention to Issue a Cease and Desist Order, and the information contained in the case file, it is hereby **ORDERED**:

- A. Respondents and its officers, directors, members, partners, trustees, employees, agents, and control persons shall **Cease and Desist** from providing personal loans to Michigan residents in violation of the Regulatory Loan Act, MCL 493.1 *et seq.*
- B. Respondents shall **Cease and Desist** from providing, through any means, personal loans to Michigan residents in violation of the Regulatory Loan Act, MCL 493.1 *et seq.*
- C. Respondents shall immediately shut down its website [www.hydrfundii.com](http://www.hydrfundii.com) and **Cease and Desist** from engaging in the business of making loans to Michigan residents through any interactive website.
- D. This Order to Cease and Desist shall become effective at the date and time specified above and remain effective and enforceable unless terminated or set aside by a subsequent order of the Director.

By:   
Rhonda J. Fossitt  
Senior Deputy Director