



OCT 14 2014

FAX: 800-380-5592

Email: [legal@ameriloan.com](mailto:legal@ameriloan.com)

October 13, 2014

Georgia Mulone  
Consumer Advisor  
103B Morrill Hall -UVM  
Burlington, VT 05405  
Fax: 802-656-1423

**Re: Paula Houran**  
**File No.: 2014-8744**

Dear Ms. Mulone:

Thank you for your letter regarding the account of Paula Houran. This letter is to advise you that AMERILOAN is a trade name of MNE Services, Inc. ("MNES"), a subdivision of the Miami Tribe of Oklahoma, a federally-recognized Indian Tribe located on Indian lands in the State of Oklahoma. 25 U.S.C. 479a, 79 F.R. 4748 (January 29, 2014).

First, please be advised that MNES d/b/a AMERILOAN maintains no business locations within the State of Vermont, and that Ms. Houran's loan was consummated within the jurisdiction of the Miami Tribe of Oklahoma. Moreover, as a subdivision of a federally-recognized Indian tribe, MNES d/b/a AMERILOAN is not subject to state process or suit or private action based upon well-established principles of tribal sovereignty recognized as a matter of federal law. *People v. Miami Nation Enterprises*, B242644, 2014 WL 216318 (Cal. Ct. App. Jan. 21, 2014); *Kiowa Tribe of Oklahoma v. Mfg. Technologies Inc.*, 523 U.S. 751, 754 (1998).

In any event, as a tribal government, the Miami Tribe has interests in assuring that the lenders under its jurisdiction are regulated for the protection of the consumer as well as the industry. Accordingly, MNES d/b/a AMERILOAN is regulated by the laws of the Miami Tribe of Oklahoma.

As such, the Miami Tribe has an interest in resolving this matter. The agreement Ms. Houran entered into with MNES d/b/a AMERILOAN was and is a valid agreement, the form and function of which has been reviewed by the Federal Trade Commission. Additionally, the account records for Ms. Houran show that she logged on to [www.ameriloan.com](http://www.ameriloan.com) and created her own customized payment schedule. Ms. Houran's original loan agreement, as well as her extended repayment plan and full transaction history, are attached for your review.

We are an electronic/internet company and communications are preferred via email and facsimile.  
All communications should be directed to the contact information provided above.



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Nonetheless, as a show of good faith, MNES d/b/a AMERILOAN wishes to resolve Ms. Houran's account and has elected to write her account balance to a zero balance. Accordingly, the account is now closed and MNES d/b/a AMERILOAN considers this matter closed.

Thank you again for bringing this matter to our attention.

Sincerely,

AMERILOAN  
Legal Department

Paula Houran - AML - 1999147328

| <b>Description</b>                              | <b>Status</b> | <b>Debit<br/>(\$)</b> | <b>Credit<br/>(\$)</b> | <b>Balance<br/>(\$)</b> |
|---|---------------|-----------------------|------------------------|-------------------------|
| <u>Fund Loan</u>                                | Applied       |                       | 300.00                 | 300.00                  |
| <u>Service Charge</u>                           | Applied       |                       | 90.00                  | 390.00                  |
| <u>Service Charge<br/>Payment</u>               | Complete      | 90.00                 |                        | 300.00                  |
| <u>Service Charge</u>                           | Applied       |                       | 90.00                  | 390.00                  |
| <u>Service Charge<br/>Payment</u>               | Complete      | 90.00                 |                        | 300.00                  |
| <u>Service Charge</u>                           | Applied       |                       | 90.00                  | 390.00                  |
| <u>Second Tier<br/>Recovery<br/>(Principal)</u> | Complete      | 120.00                |                        | 270.00                  |
| <u>Second Tier<br/>Recovery (Fees)</u>          | Complete      | 90.00                 |                        | 180.00                  |
| <u>Bad Debt<br/>Writeoff<br/>(Principal)</u>    | Complete      | 180.00                |                        | 0.00                    |

**Subject:** Ameriloan Important Document



## EXTENDED REPAYMENT PLAN AGREEMENT

**Borrower:** Paula Houran  
**Account ID:** 1999147328

**Date:** 06-22-2013  
**Lender:** MNE Services, Inc. dba Ameriloan

**Parties:** In this agreement ("Extended Repayment Plan Agreement") "You" are the person named as Borrower above. "We" or "Us" are MNE Services, Inc. dba Ameriloan, and its directors, officers, employees, authorized representatives, agents and successors in interest acting within the scope of their authority.

**Modification of Prior Loan Agreement:** After You make your scheduled payment on 06-13-2013, You will have an outstanding principal balance with Us in the amount of \$300.00. Upon execution of this Extended Repayment Plan Agreement, the outstanding principal balance due and owing of \$300.00 under your prior loan agreement with Us shall be refinanced pursuant to the terms and conditions of this Extended Repayment Plan Agreement. This Extended Repayment Plan Agreement does not extinguish your obligation under your prior loan agreement with Us to pay the scheduled payment of \$90.00 on 06-13-2013.

**The Account:** You have a deposit account, number \*\*\*\*\*2513 ("Account"), at Charter One, A Division of RBS Citizens, National Association ("Bank"). You authorize Us to initiate ACH debit entries for each Amount Applied to Finance Charge and each Amount Applied to Principal as detailed below in the Extended Repayment Schedule of this Extended Repayment Plan Agreement and as agreed to by You in the Authorization to Initiate ACH Debit Entries. In the event You are due a refund, You authorize Us to initiate an ACH credit entry to your Account to credit You for the amount of any such refund. In the event that We make an error in processing any ACH, You authorize Us to initiate another ACH to correct the error.

**Federal Truth-in-Lending Act Disclosures:** Please click here (or see the attached document entitled "FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT") for applicable Federal Truth-in-Lending Act disclosures regarding the terms and costs of your Extended Repayment Plan. Please review the FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT carefully so that You may compare the cost of this Extended Repayment Plan Agreement to other options and loan products available to You from other lenders. It is important You make an informed use of credit and understand how much it will cost You to refinance \$300.00 with Us before agreeing to the terms of this Extended Repayment Plan Agreement. Our provision of the Federal Truth-in-Lending Act disclosures shall not be deemed our consent to the application of state or federal law to Us, to your loan, or to this Extended Repayment Plan Agreement.

**Promise to Pay:** You promise to pay to Us or to our order the principal sum of \$300.00 plus interest on the outstanding principal balance from time to time as set forth in the "Calculation of Finance Charge and Payment Due" section below. If You do not pay off your loan early, You will pay to Us a total of \$885.00 in principal and periodic finance charges to repay your loan in full as shown below in the Extended Repayment Schedule. You also promise to pay to Us or to our order any other fees provided for under this Extended Repayment Plan Agreement.

**Repayment:**

| Payment Number | Payment Date | Amount of Payment Due | Amount Applied to Finance Charge | Amount Applied to Principal | Outstanding Principal after Payment |
|----------------|--------------|-----------------------|----------------------------------|-----------------------------|-------------------------------------|
| 1              | 06-27-2013   | \$90.00               | \$90.00                          | \$0.00                      | \$300.00                            |
| 2              | 07-11-2013   | \$90.00               | \$90.00                          | \$0.00                      | \$300.00                            |
| 3              | 07-25-2013   | \$90.00               | \$90.00                          | \$0.00                      | \$300.00                            |
| 4              | 08-08-2013   | \$140.00              | \$90.00                          | \$50.00                     | \$250.00                            |
| 5              | 08-22-2013   | \$125.00              | \$75.00                          | \$50.00                     | \$200.00                            |
| 6              | 09-05-2013   | \$110.00              | \$60.00                          | \$50.00                     | \$150.00                            |
| 7              | 09-19-2013   | \$95.00               | \$45.00                          | \$50.00                     | \$100.00                            |
| 8              | 10-03-2013   | \$80.00               | \$30.00                          | \$50.00                     | \$50.00                             |
| 9              | 10-17-2013   | \$65.00               | \$15.00                          | \$50.00                     | \$0.00                              |

The Extended Repayment Schedule shown above is not a disclosure of the terms and costs of your Extended Repayment Plan pursuant to the Federal Truth-in-Lending Act. Please click here (or see the attached document entitled "FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT") for applicable Federal Truth-in-Lending Act disclosures regarding the terms and costs of your Extended Repayment Plan. We are providing You the Extended Repayment Schedule shown above in addition to the FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT for your benefit so You can see how each Payment Due is allocated to finance charge and principal.

As used in this Extended Repayment Plan Agreement, the term "Business Day" means a day other than Saturday, Sunday or a legal holiday. Unless You notify Us differently, by agreeing to the terms of the Authorization to Initiate ACH Debit Entries, You understand and agree that each



Payment Due under this Extended Repayment Plan Agreement shall be made by Us automatically initiating one or more ACH debit entries to your Account at the Bank. You authorize Us to initiate each Payment Due by separate ACH debit entries in amounts equal to the Amount Applied to Finance Charge and the Amount Applied to Principal. You may revoke the Authorization to initiate ACH Debit Entries at any time, provided however, the Authorization to initiate ACH Debit Entries will remain in full force and effect until the earlier of the following occurs: (i) You repay your loan in full; or (ii) You tell Us or the Bank that We are no longer authorized to initiate ACH debit entries against the Account in enough time to allow the Bank or Us to cancel any scheduled, planned, or pending ACH debit entries. To ensure that your revocation of ACH authorization is timely processed before any pending Payment Date, We recommend You provide Us with written notice of revocation at least three (3) Business Days before the next scheduled Payment Date. Please include your Account ID in your written notice to Us. Please be advised, however, that revocation of your Authorization to initiate ACH Debit Entries does not relieve You of your obligation to repay all amounts due and owing under this Extended Repayment Plan Agreement. If You revoke the Authorization to initiate ACH Debit Entries, each remaining Payment Due must be received by Us no later than 2:00 PM Central time on each corresponding Payment Date.

**Calculation of Finance Charge and Payment Due:** We calculate each periodic finance charge on your Extended Repayment Plan by using a periodic simple interest rate. The first periodic finance charge of \$90.00 under this Extended Repayment Plan Agreement is accrued on 06-13-2013, the date the outstanding principal balance under your prior loan agreement with Us is refinanced pursuant to the terms of this Extended Repayment Plan Agreement. This periodic finance charge is shown in Amount Applied to Finance Charge for Payment Number 1 in the Extended Repayment Schedule above. An additional periodic finance charge will accrue after each Payment Date in the amount of thirty percent (30%) of the then Outstanding Principal after Payment as shown above in the Extended Repayment Plan Schedule. Each periodic finance charge is fully earned by Us when it is accrued. You have chosen an Extended Repayment Plan with 9 payment(s), which means if you make each Payment Due on each Payment Date as shown above in the Extended Repayment Schedule, You will accrue 9 periodic finance charge(s) and pay a total of \$585.00 in periodic finance charges. Periodic finance charges and interest shall not be payable in advance or compounded. Time is of the essence.

**Prepayment:** The Finance Charge of \$585.00 as shown in the FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT attached to this Extended Repayment Plan Agreement represents the total amount of periodic finance charges You will pay under this Extended Repayment Plan Agreement if You pay each Payment Due on each Payment Date as shown above in the Extended Repayment Plan Schedule and do not make any additional payments of principal at any time. Although You may pay all or part of your Extended Repayment Plan early at any time, You will not receive a refund of any part of any periodic finance charge that is earned by Us. If You pay off your Extended Repayment Plan early, however, You will not pay any unaccrued or unearned periodic finance charges. You may also reduce the amount of periodic finance charges You have to pay over the term of your Extended Repayment Plan by adding an additional principal payment to any Payment Due. To pay off your Extended Repayment Plan early or to add an additional principal payment to any Payment Due, please log into your account at <http://www.ameriloan.com> or call Us at 1-800-362-9090 during the hours of Monday through Friday 7:30am-8:00pm Central time if You need assistance. We recommend You request to pay off your Extended Repayment Plan early or to add an additional principal payment to any Payment Due at least three (3) Business Days before your next Payment Date. If you do not contact us at least three (3) Business Days before your next Payment Date, We cannot guarantee that We can process your request to pay off your Extended Repayment Plan early or to add an additional principal payment.

**Refinance Policy:** We, in our sole discretion, will determine whether your loan may be modified or refinanced.

**Default:** The outstanding balance of your Extended Repayment Plan shall become immediately due and payable without notification or demand from Us if You fail to make (or do not have enough collected or available funds to make) any payment or amount You owe Us, whether in connection with this Extended Repayment Plan or otherwise (see also "Cross Default" section below), or if You made any false or misleading statement on any application, financial statement or other writing submitted to Us, whether in connection with this Extended Repayment Plan or otherwise. If there are insufficient funds on deposit in your Account to initiate an ACH debit entry, to pay a check drawn on an account or to otherwise cover any Payment Due on any Payment Date, You promise to immediately pay Us all sums You owe by another form of payment without notification or demand from Us.

**Cross Default:** A breach or default of the terms and conditions of this Extended Repayment Plan Agreement by You shall also be deemed to be a default of any other agreements You have with Us, now or in the future, including without limitation any prior agreements or applicable future agreements between You and Us to refinance or modify any amounts You owe Us. Further, your breach or default of any other agreements You have with Us, now or in the future, including without limitation any applicable future agreements to refinance or modify any amounts You owe Us, shall also be deemed to be a default of this Extended Repayment Plan Agreement.

**Payment Options:** Instead of Us automatically initiating ACH debit entries to your Account, You may: (i) make a payment by mailing Us a check or money order to the payment address shown directly below; or (ii) make an immediate payment with a debit card over the telephone by calling Us at 1-800-362-9090. To ensure that your alternative payment option is timely processed before a Payment Date, We recommend You provide Us with notice of the alternative payment at least three (3) Business Days before a Payment Date so that We can cancel any pending ACH debit entries to your Account.

**Payment Address:** Ameriloan, 3531 P Street NW Miami, OK 74355.

**Check Conversion Notification:** If You provide Us with a check as payment, You agree We can either use information from that check to make a one-time electronic funds transfer from that account or We can process the payment as a check transaction. When We use information from a check to make an electronic funds transfer from an account, funds may be withdrawn from that account the same day we receive the check and You will not receive the check back from the bank. For questions, please call our customer service at 1-800-362-9090.

**Return Item Fee:** If sufficient funds are not available in the Account to cover an ACH debit entry or to pay a check drawn on an account in connection with this Extended Repayment Plan Agreement, You agree to pay Us a Return Item Fee of \$30.00.

**Bank Charges:** We are not responsible, and You will not hold Us responsible, for any loss of any kind incurred as a result of any ACH debit entry or check being presented in connection with this Extended Repayment Plan Agreement including without limitation any fees charged by your Bank or any costs You incur if your Bank closes your Account in connection with any returned ACH debit entries that we initiate against your Account.

**Credit Reporting:** We report information about your Extended Repayment Plan, including late, missed payments and/or defaults, to consumer reporting agencies. We may report information about your loan, including late, missed payments and/or defaults to other sources as permitted by applicable law.

**Verification:** You authorize Us to verify all of the information You provided to Us in connection with your application for your Extended Repayment Plan in any manner We, in our sole discretion, may choose. You also hereby grant Us consent to obtain additional information about You from a consumer reporting agency or other sources.

**Governing Law:** You and We agree that this Extended Repayment Plan Agreement and your Extended Repayment Plan with Us shall be governed by all applicable federal laws and all applicable laws of the Miami Tribe of Oklahoma, the regulatory authority of MNE Services, Inc. dba

Ameriloan, regardless of the state or jurisdiction in which You may reside. The **ARBITRATION PROVISION** set forth below and any arbitration proceeding conducted in accord with the **ARBITRATION PROVISION** shall be governed by the Federal Arbitration Act and all applicable laws of the Miami Tribe of Oklahoma.

**Survival:** The provisions of this Extended Repayment Plan Agreement dealing with the **LIMITED WAIVER OF SOVEREIGN IMMUNITY**, the **ARBITRATION PROVISION**, and the **CLASS ACTION WAIVER** shall survive repayment of your Extended Repayment Plan in full, modification, refinancing, termination, cancellation and/or default of this Extended Repayment Plan Agreement.

**No Bankruptcy:** By electronically signing this Extended Repayment Plan Agreement, You represent that You have not filed for bankruptcy in the prior 90 days and You do not plan to do so.

**Privacy Policy:** To view our Privacy Policy please click here. The Privacy Policy can be viewed at [http://www.ameriloan.com/?page=info\\_privacy](http://www.ameriloan.com/?page=info_privacy).

**Delivery Method of Notices:** Unless this Extended Repayment Plan Agreement specifies otherwise or unless We notify You of a change in writing, all notices and documents that You are to provide to Us shall be provided to Us at the following fax number, e-mail address or mailing address:

Ameriloan  
3531 P Street NW  
Miami, OK 74355  
Fax 1-800-256-9166  
[customerservice@Ameriloan.com](mailto:customerservice@Ameriloan.com)

**Right to Cancel:** YOU MAY CANCEL THIS EXTENDED REPAYMENT PLAN WITHOUT COST TO YOU OR FURTHER OBLIGATION TO US. IF YOU DO SO BY THE END OF BUSINESS ON THE NEXT BUSINESS DAY AFTER THE EXTENDED REPAYMENT PLAN PROCEEDS ARE PAID ON YOUR BEHALF. YOU MAY ONLY CANCEL THIS EXTENDED REPAYMENT PLAN IF YOU SEND US BACK THE \$300.00 WE PAID ON YOUR BEHALF OR IF WE ARE ABLE TO WITHDRAW \$300.00 FROM YOUR ACCOUNT. TO SUBMIT YOUR CANCELLATION FORM TO CANCEL THIS EXTENDED REPAYMENT PLAN, LOG INTO YOUR ACCOUNT AT <http://www.ameriloan.com>.

**PLEASE READ THE FOLLOWING CAREFULLY  
AS IT IMPACTS YOUR LEGAL RIGHTS.**

**LIMITED WAIVER OF SOVEREIGN IMMUNITY:** AS A WHOLLY OWNED SUBDIVISION OF A FEDERALLY RECOGNIZED INDIAN TRIBE, WE ARE NOT SUBJECT TO SUIT IN ANY COURT IN ANY JURISDICTION, OR ANY OTHER FORUM, ABSENT AN EXPRESS WAIVER OF SOVEREIGN IMMUNITY. SOLELY IN ORDER TO PROVIDE FOR THE RESOLUTION OF A DISPUTE THAT WE CANNOT RESOLVE TO YOUR SATISFACTION, SHOULD ANY OCCUR, WE HEREBY CONSENT TO A LIMITED WAIVER OF SOVEREIGN IMMUNITY, AS EXPRESSLY SET FORTH HEREIN, AND FURTHER LIMITED BY THE ARBITRATION PROVISION CONTAINED HEREIN. THIS LIMITED WAIVER IS STRICTLY LIMITED TO INDIVIDUAL ARBITRATION CLAIMS AS SET FORTH BELOW AND JUDICIAL ACTIONS TO ENFORCE SUCH INDIVIDUAL ARBITRATION AWARDS AS STRICTLY LIMITED HEREIN.

PLEASE BE ADVISED THAT IF YOU CHOOSE TO OPT OUT OF THE FOLLOWING ARBITRATION PROVISION AS DETAILED BELOW, YOUR ONLY OPTION FOR PURSUING A CLAIM AGAINST US FOR ANY UNRESOLVED DISPUTE WILL BE TO TRY TO BRING AN ACTION IN A COURT OF COMPETENT JURISDICTION, IF ANY EXISTS, BUT IN ADDITION TO PROVING YOU ARE ENTITLED TO ANY RELIEF OR DAMAGES FROM US, YOU MAY ALSO HAVE TO PROVE THAT WE ARE NOT ENTITLED TO THE BENEFITS AND PROTECTIONS OF SOVEREIGN IMMUNITY.

~~ARBITRATION PROVISION:~~ **ARBITRATION PROVISION:** IF YOU CHOOSE TO OPT OUT OF THE FOLLOWING ARBITRATION PROVISION AS DETAILED BELOW, YOUR ONLY OPTION FOR PURSUING A CLAIM AGAINST US FOR ANY UNRESOLVED DISPUTE WILL BE TO TRY TO BRING AN ACTION IN A COURT OF COMPETENT JURISDICTION, IF ANY EXISTS, BUT IN ADDITION TO PROVING YOU ARE ENTITLED TO ANY RELIEF OR DAMAGES FROM US, YOU MAY ALSO HAVE TO PROVE THAT WE ARE NOT ENTITLED TO THE BENEFITS AND PROTECTIONS OF SOVEREIGN IMMUNITY.

Arbitration is a process in which persons with a dispute: (a) waive their rights to file a lawsuit and to have a judge or jury resolve their disputes; and (b) agree, instead, to submit their disputes to a neutral third person (an "arbitrator") for a decision. Each party to the dispute has an opportunity to present evidence to the arbitrator. Pre-arbitration discovery may be limited or unavailable. Arbitration proceedings are private and less formal than court trials. The arbitrator will issue a final and binding decision resolving the dispute, which may be enforced as a court judgment. A court rarely overturns an arbitrator's decision.

As used herein, the words "dispute" and "disputes" are given the broadest possible meaning and include, without limitation and whether past, present or future: (a) all claims, disputes, or controversies arising from or relating directly or indirectly to the signing of this Extended Repayment Plan Agreement, including the validity and scope of this Arbitration Provision, or any claim, dispute, or controversy relating to the interpretation, applicability, enforceability or formation of this Extended Repayment Plan Agreement, including, but not limited to, any claim that all or any part of this Extended Repayment Plan Agreement or this Arbitration Provision is void, voidable, invalid or unenforceable; (b) all federal or state law claims arising from or relating directly or indirectly to this Extended Repayment Plan Agreement, the information You gave Us before entering into this Extended Repayment Plan Agreement, and/or any past agreement or agreements between You and Us; (c) all counterclaims, cross-claims and third party claims; (d) all common law claims, based upon contract, tort, fraud, or other intentional torts; (e) all claims based upon a violation of any state or federal constitution, statute or regulation; (f) all claims asserted by Us against You, including claims for money damages to collect any sum We claim You owe Us; (g) all claims asserted by You individually against Us and/or any of our agents, consultants or servicers and/or any of their employees, directors, officers, shareholders, managers, members, parents, subsidiaries, or any affiliated entities (hereinafter collectively referred to as "related third parties"), including claims for money damages and/or equitable or injunctive relief; (h) all claims asserted on your behalf by another person; (i) all claims asserted by You as a private attorney general, as a representative and/or member of a class of persons, and/or in any other representative capacity against Us and/or related third parties (hereinafter referred to as "representative claims"); and/or (j) all claims arising from or relating directly or indirectly to the disclosure by Us or related third parties of any non-public personal information about You.

Any party to a dispute, including You, Us and/or related third parties, may send the other party or parties written notice by certified mail return receipt requested of their intent to arbitrate and setting forth the subject of the dispute along with the relief requested, even if a lawsuit has been filed. Regardless of who demands arbitration, the arbitration shall occur before the American Arbitration Association (1-800-778-7879).

<http://www.adr.org>) or JAMS (1-800-352-5267; <http://www.jamsadr.com>). If neither the American Arbitration Association nor JAMS can or will accept a dispute, however, the parties shall select a different arbitrator who is an attorney, retired judge, or arbitrator registered and in good standing with an arbitration association and arbitrate pursuant to such arbitrator's rules. The party receiving notice of arbitration shall respond in writing by certified mail return receipt requested within twenty (20) days. All parties to such dispute will be governed by the rules and procedures of the chosen arbitration association applicable to consumer disputes, to the extent those rules and procedures do not contradict the express terms of this Extended Repayment Plan Agreement or this Arbitration Provision, including the limitations on the arbitrator below.

Regardless of who demands arbitration, We will advance your portion of the expenses associated with the arbitration, including the filing, administrative, hearing and arbitrator's fees ("Arbitration Fees"). Throughout the arbitration, each party shall bear his or her own attorneys' fees and expenses, such as witness and expert witness fees. The arbitrator shall apply applicable substantive law consistent with the Federal Arbitration Act, 9 U.S.C. §§ 1-16 ("FAA") and applicable statutes of limitation, and shall honor claims of privilege recognized at law. The arbitration hearing will be conducted in the county of your residence, unless You agree to a different location. In conducting the arbitration proceeding, the arbitrator shall not apply any federal or state rules of civil procedure or evidence. If the arbitrator renders a decision in your favor, the arbitrator shall award You reasonable attorneys' fees. If the arbitrator renders a decision in your favor, You will not be responsible for reimbursing Us for your portion of the Arbitration Fees and We will reimburse You for any Arbitration Fees You previously paid. Regardless of whether the arbitrator renders a decision in your favor, You will not be responsible for reimbursing Us for your portion of the Arbitration Fees and We are not entitled to an award of attorneys' fees. At the timely request of any party, the arbitrator shall provide a written explanation of the arbitrator's decision. The arbitrator's decision may be filed with any court having competent jurisdiction.

You and We expressly acknowledge and agree that this Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA. If a final, non-appealable judgment of a court having competent jurisdiction over this transaction finds, for any reason, that the FAA does not apply to the transaction, then our agreement to arbitrate shall be governed by the arbitration law of the Miami Tribe of Oklahoma.

This Arbitration Provision is binding upon and benefits You and your respective heirs, successors and assigns. This Arbitration Provision is binding upon and benefits Us, our successors and assigns, and related third parties. This Arbitration Provision survives the termination of the relationship between You and Us, and continues in full force and effect, even if your obligations have been cancelled by prepayment, paid or discharged through bankruptcy. This Arbitration Provision survives any termination, amendment, expiration or performance of any transaction between You and Us and continues in full force and effect unless You and We otherwise agree in writing.

**BY AGREEING TO THE TERMS OF THIS ARBITRATION PROVISION, YOU HEREBY AGREE AND ACKNOWLEDGE THAT YOU ARE WAIVING YOUR RIGHT TO FILE A LAWSUIT AND HAVE A JUDGE OR JURY RESOLVE ANY DISPUTE ALLEGED AGAINST US OR RELATED THIRD PARTIES.**

**THIS ARBITRATION PROVISION DOES NOT PREVENT YOU FROM FILING YOUR DISPUTE WITH ANY FEDERAL, STATE OR LOCAL GOVERNMENT AGENCY THAT CAN, IF THE LAW ALLOWS, SEEK RELIEF AGAINST US ON YOUR BEHALF.**

UNLESS YOU EXERCISE YOUR RIGHT TO OPT OUT OF THIS ARBITRATION PROVISION, AS DESCRIBED BELOW, YOU WILL BE FOREVER BOUND BY THE TERMS OF THIS ARBITRATION PROVISION. THIS ARBITRATION PROVISION LIMITS CERTAIN OF YOUR LEGAL RIGHTS, INCLUDING ANY RIGHT YOU MAY HAVE TO PURSUE A CLAIM OR DISPUTE IN A COURT OF COMPETENT JURISDICTION, YOUR RIGHT TO A JURY TRIAL, AND YOUR RIGHT TO PURSUE A CLAIM OR DISPUTE AS A CLASS ACTION OR SIMILAR PROCEEDING. IN ARBITRATION, A DISPUTE IS RESOLVED BY AN ARBITRATOR INSTEAD OF A JUDGE OR JURY. ARBITRATION PROCEDURES ARE SIMPLER AND MORE LIMITED THAN COURT PROCEDURES. YOU SHOULD CONSULT LEGAL COUNSEL TO DETERMINE WHETHER THIS ARBITRATION PROVISION IS APPROPRIATE FOR YOU. BY EXECUTING THIS EXTENDED REPAYMENT PLAN AGREEMENT, SUBMITTING IT TO US, AND ACCEPTING THE EXTENDED REPAYMENT PLAN PROCEEDS WITHOUT CANCELLING YOUR EXTENDED REPAYMENT PLAN AGREEMENT, YOU HEREBY AGREE AND ACKNOWLEDGE THAT YOU HAVE HAD THE OPPORTUNITY TO NEGOTIATE THE TERMS OF THIS ARBITRATION PROVISION WITH US BUT HAVE CHOSEN NOT TO AND HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF LEGAL COUNSEL. THIS ARBITRATION PROVISION IS THEREFORE TO BE INTERPRETED AND APPLIED SUCH THAT YOU AND WE HAVE EQUAL RIGHTS UNDER IT. YOU CAN OPT OUT OF THIS ARBITRATION PROVISION BY FOLLOWING THE INSTRUCTIONS IN THE NEXT PARAGRAPH OF THIS ARBITRATION PROVISION.

**OPTING OUT OF ARBITRATION PROVISION:** YOU (BUT NOT WE) HAVE THE SOLE RIGHT TO REJECT THIS ARBITRATION PROVISION AS A MEANS OF RESOLVING DISPUTES WITH US AT ANY TIME WITHIN THIRTY (30) DAYS FOLLOWING YOUR ELECTRONIC SIGNATURE ON THIS EXTENDED REPAYMENT PLAN AGREEMENT. TO REJECT THE ARBITRATION PROVISION YOU MUST GIVE US WRITTEN NOTICE OF YOUR REJECTION OF THIS ARBITRATION PROVISION BY E-MAILING US AT [ARBITRATIONOPTOUT@ameriloan.com](mailto:ARBITRATIONOPTOUT@ameriloan.com). YOUR E-MAIL TO US OPTING OUT OF THIS ARBITRATION PROVISION SHOULD INCLUDE YOUR NAME, ADDRESS AND THE ACCOUNT ID IDENTIFIED ABOVE AS WELL AS A STATEMENT THAT YOU DO NOT WISH TO RESOLVE DISPUTES WITH US THROUGH ARBITRATION. YOU HEREBY AGREE AND ACKNOWLEDGE THAT YOU MAY ONLY OPT OUT OF THIS ARBITRATION PROVISION IN THE MANNER DESCRIBED ABOVE AND IT IS NOT SUFFICIENT TO NOTIFY US OF YOUR INTENT TO OPT OUT OF THIS ARBITRATION PROVISION VIA TELEPHONE OR ANY OTHER MEANS. YOU CAN ONLY REJECT THIS ARBITRATION PROVISION UNTIL THE THIRTIETH (30th) DAY FOLLOWING YOUR ELECTRONIC SIGNATURE ON THIS EXTENDED REPAYMENT PLAN AGREEMENT. THEREAFTER YOU WILL BE BOUND BY THE TERMS OF THIS ARBITRATION PROVISION. YOUR DECISION TO OPT OUT OF THIS ARBITRATION PROVISION WILL HAVE NO ADVERSE EFFECT ON THE SERVICING AND COLLECTION OF YOUR EXTENDED REPAYMENT PLAN AGREEMENT. IF YOU REJECT THIS ARBITRATION PROVISION, YOUR REJECTION APPLIES ONLY TO DISPUTES ARISING OUT OF THIS EXTENDED REPAYMENT PLAN AGREEMENT AND NOT TO FUTURE AGREEMENTS BETWEEN YOU AND US.

**WAIVER OF JURY TRIAL:** BY AGREEING TO THE TERMS OF THIS ARBITRATION PROVISION, YOU HEREBY AGREE AND ACKNOWLEDGE THAT YOU ARE WAIVING YOUR RIGHT TO HAVE A TRIAL BY JURY TO RESOLVE ANY DISPUTE ALLEGED AGAINST US OR AGAINST A RELATED THIRD PARTY.

**CLASS ACTION WAIVER:** BY AGREEING TO THE TERMS OF THIS EXTENDED REPAYMENT PLAN AGREEMENT, YOU HEREBY AGREE AND ACKNOWLEDGE THAT YOU ARE WAIVING YOUR RIGHT TO PURSUE OR PARTICIPATE IN REPRESENTATIVE CLAIMS AND YOU THEREFORE WILL NOT BE ALLOWED TO SERVE AS A CLASS REPRESENTATIVE, AS A PRIVATE ATTORNEY GENERAL, OR IN ANY OTHER REPRESENTATIVE CAPACITY, AND/OR TO PARTICIPATE AS A MEMBER OF A CLASS OF CLAIMANTS, IN ANY ACTION FILED AGAINST US AND/OR RELATED THIRD PARTIES. THEREFORE, ANY DISPUTE, WHETHER IN ARBITRATION, IN COURT, OR OTHERWISE, SHALL BE CONDUCTED SOLELY ON AN INDIVIDUAL BASIS AND YOU WILL NOT SEEK TO HAVE ANY DISPUTE HEARD AS A CLASS ACTION, A PRIVATE ATTORNEY GENERAL ACTION, OR IN ANY OTHER PROCEEDING IN WHICH YOU ACT IN A REPRESENTATIVE CAPACITY. YOU FURTHER AGREE THAT NO ARBITRATION OR PROCEEDING WILL BE JOINED, CONSOLIDATED,

OR COMBINED WITH ANOTHER ARBITRATION OR PROCEEDING WITHOUT THE EXPRESS, PRIOR WRITTEN CONSENT OF ANY AND ALL PARTIES TO ANY SUCH ARBITRATION OR PROCEEDING.

**CONSUMER NOTICE: A SHORT-TERM LOAN IS AN EXPENSIVE FORM OF CREDIT THAT SHOULD BE REPAYED AS SOON AS POSSIBLE. BEFORE AGREEING TO THE TERMS AND COSTS OF THIS EXTENDED REPAYMENT PLAN AGREEMENT, YOU MAY WANT TO CONSIDER OTHER OPTIONS, INCLUDING NON-CREDIT OPTIONS (SUCH AS DISCUSSING YOUR FINANCIAL SITUATION WITH A NON-PROFIT, FINANCIAL COUNSELING SERVICE AVAILABLE IN YOUR COMMUNITY). PLEASE REVIEW THE FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT CAREFULLY SO THAT YOU UNDERSTAND HOW MUCH EXTENDING REPAYMENT OF THE PRINCIPAL AMOUNT OF \$300.00 WILL COST YOU UNDER THE TERMS OF THIS EXTENDED REPAYMENT PLAN AGREEMENT. ACCORDINGLY, PLEASE CONSIDER WHETHER EXTENDING REPAYMENT OF YOUR LOAN MAY LEAD TO LONG-TERM DEBT FOR YOU.**

By typing your name to provide your electronic signature on this Extended Repayment Plan Agreement, You affirm You have read this Extended Repayment Plan Agreement in its entirety, that You have carefully reviewed all of the terms and provisions contained in this Extended Repayment Plan Agreement, and that You fully understand and comprehend the meaning of each and every word, phrase and provision contained in this Extended Repayment Plan Agreement, or that You had an opportunity to have any such word, phrase and/or provision that You did not understand explained to You and chose not to.

By typing your name to provide your electronic signature on this Extended Repayment Plan Agreement, You agree to abide by and be bound by all of the terms and provisions in this Extended Repayment Plan Agreement, including the LIMITED WAIVER OF SOVEREIGN IMMUNITY, the ARBITRATION PROVISION, and the CLASS ACTION WAIVER.

(X) Paula Houran

Paula Houran

05-22-2013

Electronic Signature of Borrower

Printed Name of Borrower

Date



Paula Houran  
 400 DEWEY ST  
 BENNINGTON, VT 05201  
 Date: 05-22-2013  
 Account ID: 1999147328

**FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT**

| <b>ANNUAL PERCENTAGE RATE</b>             | <b>FINANCE CHARGE</b>                       | <b>Amount Financed</b>                               | <b>Total of Payments</b>   |
|---|---|--|--|
| The cost of your credit as a yearly rate. | The dollar amount the credit will cost you. | The amount of credit provided to you on your behalf. | The amount you will have paid after you have made all payments as scheduled. |
| <b>780.00%</b>                            | <b>\$585.00</b>                             | <b>\$300.00</b>                                      | <b>\$885.00</b>  |

**Payment Schedule:** Your Payment Schedule will be:

| <b>Payment Number</b> | <b>Amount of Payment</b> | <b>When Payment is Due</b> |
|-----------------------|--------------------------|----------------------------|
| 1                     | \$90.00                  | 06-27-2013                 |
| 2                     | \$90.00                  | 07-11-2013                 |
| 3                     | \$90.00                  | 07-25-2013                 |
| 4                     | \$140.00                 | 08-08-2013                 |
| 5                     | \$125.00                 | 08-22-2013                 |
| 6                     | \$110.00                 | 09-05-2013                 |
| 7                     | \$95.00                  | 09-19-2013                 |
| 8                     | \$80.00                  | 10-03-2013                 |
| 9                     | \$65.00                  | 10-17-2013                 |

**Security:** This loan is unsecured.

**Prepayment:** If you pay off early, you will not be entitled to a refund of any part of the finance charge that is accrued and earned by Us. You may have to pay a penalty.

**Contract Reference:** See your Extended Repayment Plan Agreement for any additional information about nonpayment, default, and prepayment rebates and penalties.

**Itemization of Amount Financed of \$300.00**

|                                       |                 |
|---------------------------------------|-----------------|
| Distributed to you directly:          | <b>\$0.00</b>   |
| Paid on your account:                 | <b>\$300.00</b> |
| Paid to other persons on your behalf: | <b>\$0.00</b>   |
| Prepaid Finance Charge:               | <b>\$0.00</b>   |

By typing my name to provide my electronic signature on this Federal Truth-in-Lending Disclosure Statement, I confirm that I have downloaded or printed a copy of this Federal Truth-in-Lending Disclosure Statement for my future reference, or that I have the ability to download or print a copy and chose not to.

By typing my name to provide my electronic signature on this Federal Truth-in-Lending Disclosure Statement, I acknowledge that I have received this Federal Truth-in-Lending Disclosure Statement prior to extending repayment of my loan with MNE Services, Inc. dba Ameriloan, that I have carefully reviewed all of the applicable terms and costs disclosed herein and that I understand the terms and costs of extending repayment of the outstanding principal balance of my loan in the amount of \$300.00 from MNE Services, Inc. dba Ameriloan.

(X) Paula Houran

Electronic Signature of Borrower

Paula Houran

Printed Name of Borrower

05-22-2013

Date



**Authorization to Initiate ACH Debit Entries**

**Borrower: Paula Houran**  
**Account ID: 1999147328**

**Date: 05-22-2013**  
**Lender: MNE Services, Inc. dba Ameriloan**

**Parties:** In this Authorization to Initiate ACH Debit Entries, "You" are the person named as Borrower above. "We" or "Us" are MNE Services, Inc. dba Ameriloan, and its directors, officers, employees, authorized representatives, agents, and successors in interest acting within the scope of their authority.

**Debit Authorization:** You have deposit account, number \*\*\*\*\*2513 ("Account"), at Charter One, A Division of RBS Citizens, National Association ("Bank"). You authorize Us to automatically initiate one or more ACH debit entries to your Account to pay each Payment Due on each Payment Date as detailed in the Extended Repayment Schedule in your Extended Repayment Plan Agreement. You further authorize Us to pay each Payment Due by automatically initiating separate ACH debit entries in amounts equal to the Amount Applied to Finance Charge and the Amount Applied to Principal as detailed in the Extended Repayment Schedule in your Extended Repayment Plan Agreement. If your pay date falls on a weekend or holiday and you have direct deposit, your Account will be debited the Business Day before your normal pay date unless You contact Us to make other arrangements. As used in this Authorization, the term "Business Day" means a day other than Saturday, Sunday or a legal holiday.

You represent that your Account at the Bank named below is capable of receiving such debit entries:

| <u>Bank Name</u>   | <u>Routing/ABA Number</u> | <u>Account Number</u> | <u>Account Type</u> |
|--|---------------------------|-----------------------|---------------------|
| <b>Charter One, A Division of RBS Citizens, National Association</b> | <b>221370030</b>          | <b>*****2513</b>      | <b>Checking</b>     |

This Authorization to Initiate ACH Debit Entries ("Authorization") becomes effective at the time we accept your Extended Repayment Plan Agreement and shall remain in full force and effect until the earlier of the following occurs: (i) You repay your loan in full; or (ii) You tell Us or the Bank that We are no longer authorized to initiate ACH debit entries against the Account in enough time to allow the Bank or Us to cancel any scheduled, planned, or pending ACH debit entries. To tell us that You are revoking and terminating this Authorization, You must notify Us in writing at Ameriloan 3531 P Street NW Miami, OK 74355 or via email at customerservice@Ameriloan.com or via fax at 1-800-256-9166. Please include your Account ID in your written notice to Us. To ensure that your revocation of this Authorization is timely processed before the next scheduled Payment Date, We recommend You provide Us with your written notice of revocation at least three (3) Business Days before the next scheduled Payment Date. Termination of this Authorization does not relieve You of your obligation to repay your loan in full. If You revoke this Authorization, each Payment Due must be received by Us no later than 2:00 PM Central time on the corresponding Payment Date.

If there are insufficient funds in your Account on the date we attempt to initiate an ACH debit entry to pay all or part of what You owe, We will charge You a Return Item Fee in the amount of \$30.00, which You hereby authorize Us to collect by initiating a separate ACH debit entry. Your Bank may also impose fees for returning ACH debit entries unpaid and may even close your Account. You will not hold Us responsible for any fees of any kind You incur as a result of any ACH debit entry being presented at your Bank or if your Bank closes your Account in connection with any returned ACH debit entries We initiate in connection with this Authorization. To avoid incurring a Return Item Fee, your Account should have enough collected and available funds in it to cover the next scheduled Payment Due on the Business Day before the next scheduled Payment Date and on the Payment Date itself.

Please note You have the right to receive notice of all withdrawals from your Account by an ACH debit entry that vary in amount. By signing this

debit entries will be from the smallest Amount Applied to Finance Charge for a Payment Due on a Payment Date as detailed in the Extended Repayment Schedule in your Extended Repayment Plan Agreement to an amount equal to the entire balance due and payable if You default on your Extended Repayment Plan Agreement, plus a Return Item Fee You may owe as explained in your Extended Repayment Plan Agreement. You further authorize Us to vary the amount of any ACH debit entry We may initiate to your Account as needed to pay a Payment Due on a Payment Date as detailed in the Extended Repayment Schedule in your Extended Repayment Plan Agreement as modified by any prepayment arrangements You may make, any modifications You and We agree to regarding your Extended Repayment Plan Agreement, or to pay any Return Item Fee You may owe as explained in your Extended Repayment Plan Agreement. For any ACH debit entry outside of this range, We will provide You notice. Therefore, by signing this Authorization, You are choosing to only receive notice if an ACH debit entry is outside the range detailed above.

If there is any change in your bank information above (Bank Name or Account information), YOU MUST PROVIDE US WITH UPDATED BANK INFORMATION AND COMPLETE A NEW AUTHORIZATION TO INITIATE ACH DEBIT ENTRIES at least three (3) Business Days before the next scheduled Payment Date. You authorize Us to correct any missing or erroneous information that You provide by calling the Bank.

By typing your name to provide your electronic signature on this Authorization to Initiate ACH Debit Entries, You affirm You have read this Authorization to Initiate ACH Debit Entries in its entirety, that You have carefully reviewed all of the terms and provisions contained in this Authorization to Initiate ACH Debit Entries, and that You fully understand and comprehend the meaning of each and every word, phrase and provision contained in this Authorization to Initiate ACH Debit Entries, or that You had an opportunity to have any such word, phrase and/or provision that You did not understand explained to You and chose not to.

By typing your name to provide your electronic signature on this Authorization to Initiate ACH Debit Entries, You agree to abide by and be bound all of the terms and provisions in this Authorization to Initiate ACH Debit Entries. You also agree that all information You have given about the Account is complete and accurate, and that You are authorized to enter into this Authorization to initiate ACH Debit Entries without obtaining the signature of any other person.

**(X) Paula Houran**  
**Electronic Signature of Borrower**

**Paula Houran**  
**Printed Name of Borrower**

**05-22-2013**  
**Date**

October 21, 2014

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

RECEIVED AT CAP

OCT 29 2014

Complaint #:

Ms. Courtney Grimason  
Consumer Advisor  
Public Protection Division  
State of Vermont Office of the Attorney General  
146 University Place  
Burlington, Vermont 05405

Re: **American Web Loan**  
**Complaint # 2014-8879 (Sheri Evans)**

Dear Ms. Grimason:

This law firm represents American Web Loan, Inc. ("American Web Loan"). I am in receipt of your letter dated October 3, 2014. The purpose of this correspondence is to notify the Vermont Public Protection Division that American Web Loan is an entity wholly owned and operated by the Otoe-Missouria Tribe of Indians, a federally recognized tribe ("Tribe"). American Web Loan is appropriately regulated pursuant to the laws of the Tribe and, accordingly, maintains its own regulated process for the purpose of addressing the types of consumer complaints referenced in your letter.

The Tribe's regulatory entity, the Otoe-Missouria Consumer Finance Services Regulatory Commission ("Commission") is authorized, pursuant to Tribal law, to exercise jurisdiction over the Tribe's consumer finance service activities, which includes proper oversight and enforcement of the Tribe's laws, including the Tribe's Consumer Finance Services Regulatory Ordinance ("Ordinance") as well as applicable federal consumer protection laws, such as the Truth in Lending Act and the Fair Debt Collection Practices Act.

As an entity operating under a license issued by the Commission, American Web Loan is subject to the Commission's enforcement authority, and is therefore duty-bound to conduct business in a responsible manner and in accordance with Tribal law and applicable federal consumer protection laws. To that end, American Web Loan maintains its own mechanism and procedure for the handling of consumer complaints. Consumer complaints may be directed to American Web Loan by email or to the Customer Support Hotline. At that point, American Web Loan's representatives contact the consumer to resolve the matter.

Because American Web Loan maintains its own consumer complaint resolution procedure and because the Commission, not the State, maintains proper jurisdiction over the Tribe's lending activities, Vermont lacks authority to issue any directive to American Web Loan,

Ms. Courtney Grimason  
October 21, 2014  
Page 2 of 2

and it is neither necessary nor appropriate for American Web Loan to provide the Public Protection Division with any further information regarding the consumer complaint referenced in your letter. That said, the Tribe would like to maintain a productive government to government relationship with the state of Vermont to ensure that the complaints of its constituents are appropriately resolved. In doing so, the Tribe offers to meet with the Public Protection Division to discuss how to establish a protocol that will best address these issues moving forward.

Please contact me at the telephone number provided herein with any questions regarding this matter and please direct all future correspondences pertaining to the Tribe or American Web Loan to my attention.

Nothing contained herein is intended as, or shall be construed as, an admission or waiver of any rights that American Web Loan or the Tribe has, all of which are expressly reserved.

Sincerely,

ROSETTE, LLP

A handwritten signature in black ink, appearing to read "Saba Bazzazieh". The signature is written in a cursive style with a large, sweeping initial "S".

Saba Bazzazieh





Plain Green, LLC  
93 Mack Road, Suite 600  
PO Box 270  
Box Elder, MT 59521

October 24, 2014

**Via Facsimile 802.656.1423**

State of Vermont  
Office of the Attorney General  
Public Protection Division  
Attn: Vivian Nicastro, Consumer Advisor  
146 University Place  
Burlington, VT 05405

10/27/2014 2:27

Re: 2014-8985 Consumer: Jessica Gingras

Dear Ms. Nicastro:

We appreciate you informing us of Ms. Jessica Gingras' additional concerns regarding the business practices of Plain Green Loans, LLC. Our Tribal enterprise strives to provide excellent customer service. Thank you for the opportunity to respond.

The issues presented in your letter were reviewed and it appears that the customer entered into a binding consumer loan agreement with Plain Green. All proper disclosures detailing the cost, interest rates, and applicable terms, were made and accepted by Ms. Gingras prior to the funding of this loan. In response to correspondence we previously received from your office, we reached out to Ms. Gingras to offer satisfactory arrangements to pay back the balance she currently owes on her loan account. When we received your office's notification of her complaint, we reached out, again, to extend our offer and, at present, we are waiting for her reply.

We offer the following to help you better understand the nature and structure of Plain Green, LLC, ("Plain Green") as well as our operations and internal controls.

#### **Sovereignty**

Plain Green is the tribal governmental lending arm of the Chippewa Cree Tribe of the Rocky Boy's Indian Reservation ("Tribe") and is wholly owned by the Tribe. The Tribe is a federally recognized Indian Tribe with a long-standing government-to-government relationship with the United States.<sup>1</sup> The Federal-Tribal trust relationship is based on the mutual respect of each government's inherent sovereign rights. Current federal policy upholds, respects, and promotes Tribal self-determination, self-governance and right to economic self-sufficiency. Plain Green serves as the Tribal governmental economic arm of the

<sup>1</sup> See Federal Register. As a federally recognized tribe, the federal government acknowledges the Chippewa Cree Tribe has all the immunities and privileges that federally recognized Indian tribes have by virtue of the government-to-government relationship with the United States, as well as the inherent sovereign rights, responsibilities, powers, limitations and obligations of such tribes.

Tribe, generating Tribal governmental revenue that supports governmental services provided by the Tribe to its Tribal members. The Tribe oversees the business operations of Plain Green with the intent to bring long-term economic opportunities and stability to the Chippewa Cree Tribe.

Plain Green is organized and chartered by Tribal resolution in accordance with Tribal law. As a Tribal governmental lending arm of the Tribe, Plain Green enjoys the sovereign immunity of the Tribe and possesses all of the Tribe's rights, privileges, and immunities concerning federal, state, and local taxes, regulations, and jurisdiction to the same extent that the Tribe would have such rights, privileges, and immunities. The Tribe specifically and expressly conferred its sovereign immunity from suit to Plain Green to the same extent that the Tribe would have such sovereign immunity.

Because the United States Constitution vested the Legislative Branch with plenary power of Indian Affairs, states have no authority over tribal governments or tribal entities unless expressly authorized by Congress. Congress has certainly not authorized state departments to regulate tribal lending operations like Plain Green. While Indian Tribes and tribal businesses – like Plain Green – are not generally subject to state regulatory laws, including licensing requirements, please be assured that Plain Green's lending operations and practices are in full compliance with all existing applicable federal and Tribal consumer lending and protection laws. Plain Green is subject to regulation and oversight by the Chippewa Cree Tribal Consumer Protection Bureau, which pursuant to Tribal law, licenses and regulates Tribal governmental lending entities. In addition, Plain Green has an active operation compliance program that is designated to ensure compliance with all applicable consumer protection laws and industry best practices.

In addition to complying with all applicable federal and tribal requirements, Plain Green is a member of the Native American Financial Services Association (NAFSA). Plain Green subscribes to and follows all of NAFSA's Lending Best Practices guidelines. As a showing of good faith and courtesy that Plain Green is in compliance with all applicable federal and tribal laws and regulations, we are forwarding your letter to the Chippewa Cree Tribal Consumer Protection Bureau for the Commissioner's review and

We hope this helps you to better understand the relevant and unique circumstances involved in this matter

At this time we believe we have addressed Ms. Gingras' concerns and respectfully request that the State of Vermont consider this matter closed.

Sincerely,

Plain Green, LLC



Plain Green, LLC  
93 Mack Road, Suite 600  
PO Box 270  
Box Elder, MT 59521

State of Vermont  
Office of the Attorney General  
Consumer Assistance Program  
146 University Place  
Burlington, Vermont 05405

5-20-2015

RE: 2015-03757 Consumer: Carol Jokinen

To whom it may concern:

Plain Green, LLC ("Plain Green"), received your correspondence. We have sent a letter to the above-referenced customer which we feel will resolve his/her concerns. As further explained in this letter, the Chippewa Cree Tribe of the Rocky Boy's Indian Reservation ("Tribe") exerts regulatory authority over all Tribal governmental lending enterprises and consumer protection issues, including complaints against its Tribal governmental enterprises.

RECEIVED AT CAP

MAY 26 2015

Complaint #:

#### Sovereignty

The Tribe is a federally recognized Indian Tribe with a long-standing government-to-government relationship with the United States.<sup>1</sup> The Federal-Tribal trust relationship is based on the mutual respect of each government's inherent sovereign rights. Current federal policy upholds, respects, and promotes Tribal sovereign rights, including but not limited to the Tribe's rights to self-determination, self-governance and economic self-sufficiency. Plain Green serves as the governmental economic arm of the Tribe, generating Tribal governmental revenue that supports governmental services provided by the Tribe to its Tribal members. The Tribe oversees the business operations of Plain Green with the intent to bring long-term economic opportunities and stability to the Chippewa Cree.

Plain Green is organized and chartered by Tribal resolution in accordance with Tribal law. As a governmental economic arm of the Tribe, Plain Green enjoys the sovereign immunity of the Tribe and possesses all of the Tribe's rights, privileges, and immunities concerning federal, state, and local taxes, regulations, and jurisdiction to the same extent that the Tribe would have such rights, privileges, and immunities. The Tribe specifically and expressly conferred its sovereign immunity from suit to Plain Green.

Recently, the U.S. Supreme Court, in *Michigan v. Bay Mills Indian Community*, 572 U.S. \_\_\_, No. 12-515, (2014), fully endorsed the principles of tribal sovereignty and attendant immunity from civil suit by States, including its application to commercial activity outside of reservation boundaries.<sup>2</sup> The Court cited two hundred years of precedent, when it said: "Among the core aspects of sovereignty that tribes possess... is the common law immunity from suit traditionally enjoyed by sovereign powers."<sup>3</sup> Citing *Santa Clara Pueblo v. Martinez*, the Court said, "that immunity, we have explained, is 'a necessary corollary to Indian sovereignty and self-governance.'<sup>4</sup> Later, the Court

<sup>1</sup> See Federal Register. As a federally recognized tribe, the federal government acknowledges the Chippewa Cree Tribe has all the immunities and privileges that federally recognized Indian tribes have by virtue of the government-to-government relationship with the United States, as well as the inherent sovereign rights, responsibilities, powers, limitations and obligations of such tribes.

<sup>2</sup> See *Kiowa Tribe of Okla. v. Manufacturing Technologies, Inc.*, 523 U.S. 751, 756 (1998), holding that tribal sovereign immunity applied to both governmental and commercial activities taking place off-reservation with a dispute between a tribe and an individual. Emphasis added.

<sup>3</sup> *Id.* slip op. at 5

<sup>4</sup> *Id.*

added, "...[T]ribal immunity applies no less to suits brought by States...than to those by individuals.<sup>5</sup> The Court further explained, "We [also] declined...to make any exception for suits arising from a tribe's commercial activities, **even when they take place off Indian lands.**"<sup>6</sup>

Because the United States Constitution vested the Legislative Branch with plenary power of Indian Affairs, states have no authority over tribal governments or tribal entities unless expressly authorized by Congress. Congress has certainly not authorized state departments to regulate tribal lending operations like Plain Green. While Indian Tribes and tribal businesses – like Plain Green – are not generally subject to state regulatory laws, including licensing requirements, please be assured that Plain Green's lending operations and practices are in full compliance with all existing applicable federal and Tribal consumer lending and protection laws. Plain Green is subject to regulation and oversight by the Chippewa Cree Tribal Consumer Protection Bureau, which pursuant to Tribal law, licenses and regulates Tribal governmental lending entities. In addition, Plain Green has an active operation compliance program that is designated to ensure compliance with all applicable consumer protection laws and industry best practices.

#### **Tribal Jurisdiction and Consent**

Each of our customers expressly consent to tribal jurisdiction. The written loan agreements clearly and conspicuously designate all relevant facts and terms, including the term governing choice of law:

**"GOVERNING LAW; SEVERABILITY:** This Agreement and the Agreement to Arbitrate are governed by the Indian Commerce Clause of the Constitution of the United States of America and the laws of the Chippewa Cree Tribe. We do not have a presence in Montana or any other state of the United States of America. Neither this Agreement nor the Lender is subject to the laws of any state of the United States. If any provision of this Agreement is held unenforceable, including any provision of the Waiver of Jury Trial Arbitration Agreement, the remainder of this Agreement shall remain in full force and effect. The Lender may choose to voluntarily use certain federal laws as guidelines for the provision of services. Such voluntary use does not represent acquiescence of the Chippewa Cree Tribe to any federal law unless found expressly applicable to the operations of the Chippewa Cree Tribe offering such services."

Furthermore, when each customer obtains a loan from Plain Green the customer selects a box indicating that:

"I understand, acknowledge and agree that Plain Green, LLC, is a tribal lending entity wholly owned by Chippewa Cree Tribe of the Rocky Boy's Indian Reservation, Montana, a federally recognized tribe. I further understand, acknowledge and agree that this loan is governed by the laws of the Chippewa Cree Tribe and is not subject to the provisions or protections of the laws of my home state or any other state."

Sincerely,

Plain Green, LLC  
406-352-3313

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<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

plain green

Plain Green, LLC  
93 Mack Road, Suite 600  
PO Box 270  
Box Elden, MT 59521

April 30, 2015

State of Vermont  
Office of the Attorney General  
146 University Place  
Burlington, VT 05405

Re: 2015-03757-03757  
Carol Jokinen

Dear Christian Lewis:

Our offices are in receipt of the complaint for Carol Jokinen, however, the customer's complaint was not included. Please forward a copy of the customer's complaint to our offices so that we may address their concerns.

Thank you,

Plain Green Loans

RECEIVED AT CAP

MAY 12 2015

Complaint #: 2015-03757



Plain Green, LLC  
93 Mack Road, Suite 600  
PO Box 270  
Box Elder, MT 59521

July 24, 2015

Ms. Hanna Orselet  
Consumer Advisor  
Office of the Attorney General  
Public Protection Division  
146 University Place  
Burlington, Vermont 05405

RE: ID: 2015-06245  
Cynthia Robinson

Dear Ms. Orselet,

Thank you for the opportunity to respond to the complaint filed by Ms. Robinson concerning Plain Green, LLC ("Plain Green"). Our Tribal enterprise strive to provide excellent customer service. We appreciate you informing us of Ms. Robinson's complaint.

The issues presented by Ms. Robinson were reviewed and we have contacted her with an explanation of her binding consumer loan agreement and applicable law.

We believe her concerns have been addressed, and that this matter has been resolved.

Sincerely,

Plain Green, LLC



**OTOE MISSOURIA**  
**CONSUMER FINANCE SERVICES**  
**REGULATORY COMMISSION**

P.O. BOX 2083  
PONCA CITY, OK 74602-2083

October 15, 2015

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

OCT 27 2015

2015-08391

Dylan Pushee  
Consumer Advisor  
Public Protection Bureau  
146 University Place  
Burlington, VT 05405

RE: American Web Loan  
Cailin Manson  
File #: 2015-08391

Dear Ms Sullivan:

I am writing to you, in my capacity as the Executive Director of the Otoe-Missouria Consumer Finance Services Regulatory Commission ("OMCFSRC" or "Commission"), about your letter dated September 25, 2015 in which your office makes specific requests of American Web Loan, Inc. ("American Web Loan" or "Company").

The OMCFSRC was created pursuant to Otoe-Missouria Tribe of Indians, a federally recognized tribe ("the Tribe"), Resolution OMTc #210565 and is the public body solely responsible for the regulation of the Tribe's consumer finance services operations. The OMCFSRC exercises jurisdiction over the Tribe's consumer finance services operations by enforcing the Tribe's laws as well as applicable federal consumer protection laws. American Web Loan is a consumer finance services business wholly owned by the Tribe which is licensed and regulated by the OMCFSRC. As part of this regulation, American Web Loan must ensure that, when applying for and receiving a loan, consumers are provided extensive notice regarding the Company's Tribal sovereign immunity and their consumer rights under Tribal law. Additionally, American Web Loan has an established procedure for the handling of consumer complaints of which the Commission maintains jurisdiction over, not the State of Vermont.

American Web Loan was established for the economic benefit of the Tribe and, as stated above, is a wholly owned, managed, controlled and operated instrumentality of the Tribe. Furthermore, American Web Loan is organized under and operating in accordance with Tribal law of which, the Tribe, a sovereign government, is the sole member. As a

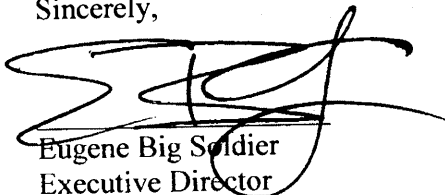
wholly owned entity of the Tribe, American Web Loan shares in the Tribe's sovereign immunity and, therefore, is not subject to state regulation and licensing requirements. Furthermore, when consumers sign their loan agreement with American Web Loan they agree to be subject to the laws and regulations of the Tribe, and specifically to the Tribal Consumer Finance Regulatory Ordinance.

We understand your obligation to inquire into the business practices on behalf of Vermont consumers, however, we again stress that American Web Loan is complying with applicable Tribal and federal laws and restate that the laws of Vermont do not apply to American Web Loan or in any way impact the sovereign laws of the Otoe-Missouria Tribe of Indians. As the public body solely responsible for regulating the Otoe-Missouria wholly owned lenders, we would ask that you forward all correspondence any allegation made against American Web Loan to the Commission so we may investigate and prosecute if appropriate.

Please correspond with us via U.S. Mail or email at the addresses below. Nothing in this letter may be construed as a waiver of the Company or the Tribe's sovereign immunity, but merely as an attempt to be responsive to your letter dated September 25, 2015. Please send any further correspondence regarding this matter to my attention at:

Otoe-Missouria Tribe of Indians  
Consumer Finance Services Regulatory Commission  
PO Box 2083  
Ponca City, OK 74602-2083  
Email: [ebigsoldier@omtribe.org](mailto:ebigsoldier@omtribe.org)

Sincerely,



Eugene Big Soldier  
Executive Director



October 14, 2015

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

OCT 21 2015

Dylan Pushee  
Consumer Assistance Program  
Public Protection Division  
Office of the Attorney General  
146 University Place  
Burlington, VT 05405

**Re: American Web Loan  
Complaint # 2015-08391 (Cailin Manson)**

Dear Mr. Pushee:

This law firm represents American Web Loan, Inc. ("American Web Loan"). I am in receipt of your letter dated September 25, 2015. The purpose of this correspondence is to notify the Consumer Assistance Program of the Office of the Attorney General that American Web Loan is an entity wholly owned and operated by the Otoe-Missouria Tribe of Indians, a federally recognized tribe (the "Tribe"). American Web Loan is appropriately regulated pursuant to the laws of the Tribe and, accordingly, maintains its own regulated process for the purpose of addressing the types of consumer complaints referenced in your letter.

The Tribe's regulatory entity, the Otoe-Missouria Consumer Finance Services Regulatory Commission ("Commission") is authorized, pursuant to Tribal law, to exercise jurisdiction over the Tribe's consumer finance service activities, which includes proper oversight and enforcement of the Tribe's laws, including the Tribe's Consumer Finance Services Regulatory Ordinance ("Ordinance") as well as applicable federal consumer protection laws, such as the Truth in Lending Act and the Fair Debt Collection Practices Act.

As an entity operating under a license issued by the Commission, American Web Loan is subject to the Commission's enforcement authority, and is therefore duty-bound to conduct business in a responsible manner and in accordance with Tribal law and applicable federal consumer protection laws. To that end, American Web Loan maintains its own mechanism and procedure for the handling of consumer complaints. Consumer complaints may be directed to American Web Loan by email or to the Customer Support Hotline. At that point, American Web Loan representatives contact the consumer to resolve the matter.

Because American Web Loan maintains its own consumer complaint resolution procedure and because the Commission, not the State, maintains proper jurisdiction over the

Mr. Dylan Pushee  
October 14, 2015  
Page 2 of 2



Tribe's lending activities, it is neither necessary nor appropriate for American Web Loan to provide the Office of the Attorney General with any further information regarding the consumer complaint referenced in your letter. That said, the Tribe would like to maintain a productive government to government relationship with the State of Vermont to ensure that the complaints of its constituents are appropriately resolved. In doing so, the Tribe offers to meet with the Office of the Attorney General to discuss how to establish a protocol that will best address these issues moving forward.

Please contact me at the telephone number provided herein with any questions regarding this matter and please direct all future correspondences pertaining to the Tribe or American Web Loan to my attention.

Nothing contained herein is intended as, or shall be construed as, an admission or waiver of any rights that American Web Loan or the Tribe has, all of which are expressly reserved.

Sincerely,

ROSETTE, LLP

  
Saba Bazzazieh

DAVID M. POCIUS  
Admitted in NY, VT, CT  
docius@pfclaw.com

November 7, 2016

*Via email [justin.kobler@vermont.gov](mailto:justin.kobler@vermont.gov)  
and First-Class Mail*

Justin Kobler, Esq.  
Assistant Attorney General  
Office of the Attorney General  
109 State Street  
Montpelier, VT 05609

**Re: FSST Financial Services, LLC  
d/b/a Action Payday Loan Services  
d/b/a Bottom Dollar Payday Loans**

Dear Justin:

I represent FSST Financial Services, LLC (“FSST”), and I am in receipt of the Civil Investigative Subpoena Duces Tecum (“CIS”) sent to FSST by your Office, which presents questions and requests documents related to FSST’s consumer lending business. I appreciate your professional courtesy in providing FSST a one-week extension or through November 7, 2016, to respond to the CIS. As was recently discussed, FSST is a tribal lending entity wholly owned and operated by the Flandreau Santee Sioux Tribe (“Tribe”), a federally recognized Indian tribe organized pursuant to the Tribe’s Constitution and By-Laws approved by the Secretary of the Interior and Commissioner of Indian Affairs.

The Tribe’s Constitution and By-laws provide that the governing body of the Tribe is the Executive Committee. The Executive Committee adopted a Limited Liability Company Code that, among other things, authorizes the formation of Tribally-owned business entities for operating and managing the Tribe’s business activities. The Executive Committee approved the formation of FSST and the company was formed to provide financial services to borrowers pursuant to Tribal Resolution. The Resolution further provides that FSST is a Tribally-organized limited liability company wholly owned by the Tribe, promoting the Tribe’s self-determination and financial independence, and that FSST will retain the sovereign immunity rights of the Tribe.

All loans made by FSST are subject exclusively to the laws and jurisdiction of the Flandreau Santee Sioux Tribe. FSST conducts its lending business on behalf of the Tribe and its business is conducted and subject to the laws of the Tribe, not Vermont law, and complies with any applicable federal laws to which its business activities are subject. Put simply, Vermont and its agencies do not have jurisdiction over the Tribe’s and its entities’ such as FSST’s business activities, and any attempt by Vermont and its agencies to exercise such jurisdiction violates the Tribe’s sovereignty, which is a principle recognized by long-standing state and federal case law.

Justin Kobler, Esq.  
November 7, 2016  
Page 2

The business activities of FSST directly contribute to the Tribe's fiscal budget and directly benefit the Tribe's efforts to develop economic self-sufficiency; as a result, any interference with the Tribe's or its entities' business activities will adversely impact the Tribe. This letter should in no way be construed as a waiver of the Tribe's sovereignty or recognition of Vermont's jurisdiction; rather, this letter serves as an assertion of the Tribe's sovereignty and Vermont's lack of jurisdiction over the Tribe and its tribal entities, including FSST.

For all these reasons, FSST objects to the CIS based on FSST's and the Tribe's sovereign immunity. Further, FSST objects to the CIS because Vermont and its agencies does not have jurisdiction over FSST. Finally, the questions and requests for documents are vague, ambiguous, overly broad, unduly burdensome, and seeks information and documents that are of a confidential and/or proprietary nature.

I hope this letter fully advises you of the Tribe's position with respect to the CIS and resolves the same. Please do not hesitate to contact me to discuss.

Cordially yours,

PAUL FRANK + COLLINS P.C.

A handwritten signature in black ink, appearing to read "DMP", with a long horizontal stroke extending to the right.

David M. Pocius

DMP:jtg

6888802\_1:12662-00001

March 1, 2016

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

Crystal Baldwin  
Consumer Assistance Program  
Public Protection Division  
Office of the Attorney General  
146 University Place  
Burlington, VT 05405

**Re: American Web Loan  
Complaint # 2016-00237 (Amy Johnson)**

Dear Ms. Baldwin:

This law firm represents American Web Loan, Inc. ("American Web Loan"). I am in receipt of your letter dated January 13, 2016. The purpose of this correspondence is to notify the Consumer Assistance Program of the Office of the Attorney General that American Web Loan is an entity wholly owned and operated by the Otoe-Missouria Tribe of Indians, a federally recognized tribe (the "Tribe"). American Web Loan is appropriately regulated pursuant to the laws of the Tribe and, accordingly, maintains its own regulated process for the purpose of addressing the types of consumer complaints referenced in your letter.

The Tribe's regulatory entity, the Otoe-Missouria Consumer Finance Services Regulatory Commission ("Commission") is authorized, pursuant to Tribal law, to exercise jurisdiction over the Tribe's consumer finance service activities, which includes proper oversight and enforcement of the Tribe's laws, including the Tribe's Consumer Finance Services Regulatory Ordinance ("Ordinance") as well as applicable federal consumer protection laws, such as the Truth in Lending Act and the Fair Debt Collection Practices Act.

As an entity operating under a license issued by the Commission, American Web Loan is subject to the Commission's enforcement authority, and is therefore duty-bound to conduct business in a responsible manner and in accordance with Tribal law and applicable federal consumer protection laws. To that end, American Web Loan maintains its own mechanism and procedure for the handling of consumer complaints. Consumer complaints may be directed to American Web Loan by email or to the Customer Support Hotline. At that point, American Web Loan representatives contact the consumer to resolve the matter.

RECEIVED AT CAP

MAR 09 2016

Complaint #: \_\_\_\_\_

Ms. Baldwin  
March 1, 2016  
Page 2 of 2



Because American Web Loan maintains its own consumer complaint resolution procedure and because the Commission, not the State, maintains proper jurisdiction over the Tribe's lending activities, it is neither necessary nor appropriate for American Web Loan to provide the Office of the Attorney General with any further information regarding the consumer complaint referenced in your letter; however, in the spirit of good faith, we can advise that that Ms. Johnson's account with American Web Loan has been closed, with no further activity. In this spirit, Tribe would like to maintain a productive government to government relationship with the State of Vermont to ensure that the complaints of its constituents are appropriately resolved. In doing so, the Tribe offers to meet with the Office of the Attorney General to discuss how to establish a protocol that will best address these issues moving forward.

Please contact me at the telephone number provided herein with any questions regarding this matter and please direct all future correspondences pertaining to the Tribe or American Web Loan to my attention.

Nothing contained herein is intended as, or shall be construed as, an admission or waiver of any rights that American Web Loan or the Tribe has, all of which are expressly reserved.

Sincerely,

ROSETTE, LLP

Saba Bazzazieh



**OTOE-MISSOURIA**  
**CONSUMER FINANCE SERVICES**  
**REGULATORY COMMISSION**

P.O. BOX 2083  
PONCA CITY, OK 74602-2083

January 29, 2016

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

FEB 11 2016

2016-00237

Crystal Baldwin  
Consumer Advisor  
Consumer Assistant Program  
146 University Place  
Burlington, VT 05405

RE: American Web Loan  
Amy Johnson  
File #: 2016-00237

Dear Ms. Baldwin:

I am writing to you, in my capacity as the Executive Director of the Otoe-Missouria Consumer Finance Services Regulatory Commission ("OMCFSRC" or "Commission"), about your letter dated January 13, 2016 in which your office makes specific requests of American Web Loan, Inc. ("American Web Loan" or "Company").

The OMCFSRC was created pursuant to Otoe-Missouria Tribe of Indians, a federally recognized tribe ("the Tribe"), Resolution OMTc #210565 and is the public body solely responsible for the regulation of the Tribe's consumer finance services operations. The OMCFSRC exercises jurisdiction over the Tribe's consumer finance services operations by enforcing the Tribe's laws as well as applicable federal consumer protection laws. American Web Loan is a consumer finance services business wholly owned by the Tribe which is licensed and regulated by the OMCFSRC. As part of this regulation, American Web Loan must ensure that, when applying for and receiving a loan, consumers are provided extensive notice regarding the Company's Tribal sovereign immunity and their consumer rights under Tribal law. Additionally, American Web Loan has an established procedure for the handling of consumer complaints of which the Commission maintains jurisdiction over, not the State of Vermont.

American Web Loan was established for the economic benefit of the Tribe and, as stated above, is a wholly owned, managed, controlled and operated instrumentality of the Tribe. Furthermore, American Web Loan is organized under and operating in accordance with Tribal law of which, the Tribe, a sovereign government, is the sole member. As a

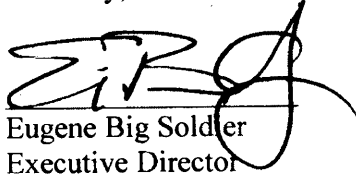
wholly owned entity of the Tribe, American Web Loan shares in the Tribe's sovereign immunity and, therefore, is not subject to state regulation and licensing requirements. Furthermore, when consumers sign their loan agreement with American Web Loan they agree to be subject to the laws and regulations of the Tribe, and specifically to the Tribal Consumer Finance Regulatory Ordinance.

We understand your obligation to inquire into the business practices on behalf of Vermont consumers, however, we again stress that American Web Loan is complying with applicable Tribal and federal laws and restate that the laws of Vermont do not apply to American Web Loan or in any way impact the sovereign laws of the Otoe-Missouria Tribe of Indians. As the public body solely responsible for regulating the Otoe-Missouria wholly owned lenders, we would ask that you forward all correspondence any allegation made against American Web Loan to the Commission so we may investigate and prosecute if appropriate.

Please correspond with us via U.S. Mail or email at the addresses below. Nothing in this letter may be construed as a waiver of the Company or the Tribe's sovereign immunity, but merely as an attempt to be responsive to your letter dated January 13, 2016. Please send any further correspondence regarding this matter to my attention at:

Otoe-Missouria Tribe of Indians  
Consumer Finance Services Regulatory Commission  
PO Box 2083  
Ponca City, OK 74602-2083  
Email: [ebigsoldier@omtribe.org](mailto:ebigsoldier@omtribe.org)

Sincerely,

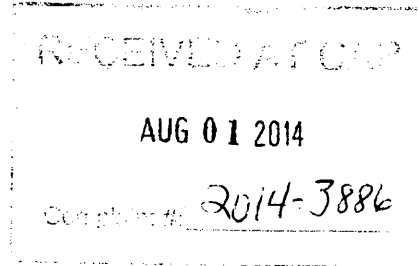
  
Eugene Big Soldier  
Executive Director



July 21, 2014

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**  
**AND E-MAIL (consumer@uvm.edu)**

Attn: Hanna Orselet  
State of Vermont  
Office of the Attorney General  
Consumer Assistance Program  
146 University Place  
Burlington, VT 05405



Re: *Jennifer Barrett, File No. 2014-3886*

Dear Ms. Orselet:

This law firm represents Golden Valley Lending (“Golden Valley”). I am in receipt of your letter dated July 8, 2014, regarding the above-referenced consumer. Please be advised that Golden Valley is wholly owned and operated by a federally recognized Indian tribe (“Tribe”).

Please be further advised that neither Golden Valley nor the Tribe has waived or intends to waive its sovereign immunity from suit. Nothing contained herein is intended, or shall be construed as, an admission or waiver of any rights that Golden Valley and the Tribe have, all of which are expressly reserved.

As a federally recognized tribe, neither the Tribe nor Golden Valley is subject to state regulatory laws. Thus, Vermont lacks jurisdiction over both the Tribe and Golden Valley.

As you are undoubtedly aware, there is long-standing federal common law doctrine recognizing the inherent sovereignty of American Indian tribes.<sup>1</sup> Under the doctrine of tribal sovereign immunity, an Indian tribe is subject to suit only where Congress has authorized the suit or the tribe has expressly and unequivocally waived its immunity.<sup>2</sup> This immunity applies without distinction to Tribal governmental and commercial activity conducted both on- and off-the reservation, and is shared with economic enterprises of the Tribe.<sup>3</sup>

<sup>1</sup> See, e.g., *Johnson v. M'Intosh*, 21 U.S. 543 (1823); *Three Affiliated Tribes of Ft. Berthold Reservation v. Wold Eng'g*, 476 U.S. 877 (1986).

<sup>2</sup> *Kiowa Tribe of Oklahoma v. Mfg. Techs.*, 523 U.S. 751, 754 (1998).

<sup>3</sup> *Michigan v. Bay Mills Indian Community*, No. 12-515, slip op. (U.S. May 27, 2014), [http://www.supremecourt.gov/opinions/13pdf/12-515\\_jq2i.pdf](http://www.supremecourt.gov/opinions/13pdf/12-515_jq2i.pdf); *Ameriloan v. Superior Court*, 86 Cal.Rptr.3d 572



United States Supreme Court precedent makes clear that tribal sovereign immunity applies to (and trumps) state enforcement actions.<sup>4</sup> This includes immunity to state investigative subpoena enforcement actions and judicial enforcement of state investigatory actions with respect to alleged violations of state law.<sup>5</sup> State courts have, in fact, recognized the application of tribal sovereign immunity to the commercial activities of a tribe's for-profit online consumer lending business.<sup>6</sup> Similarly, Golden Valley, operating as an economic arm of the Tribe, is immune from any regulatory enforcement actions brought under any state law, including the laws of the State of Vermont.<sup>7</sup>

To reiterate, this response is simply a voluntary response to your letter, and in no way constitutes a waiver of sovereign immunity or a submission to state jurisdiction.

Golden Valley is committed to providing impeccable customer service. With respect to the individual consumer mentioned in your correspondence, Jennifer Barrett, as of the date of this letter, the consumer's account shows that no amount is due or owing. If the customer has additional issues she wishes to have addressed, Golden Valley recommends that she contact customer service directly.

Sincerely,

ROSETTE, LLP

Alex Lozada, Esq.

---

(Cal. Ct. App. 2009); *Cash Advance and Preferred Cash Loans v. State*, 242 P.3d 1099, 1102 (Colo. 2010); *see also Allen v. Gold Cnty. Casino*, 464 F.3d 1044, 1046 (9th Cir. 2006).

<sup>4</sup> *Kiowa*, 523 U.S. at 755 (1998); *Oklahoma Tax Comm'n v. Potawatomi Tribe*, 498 U.S. 505 (1991) (noting alternatives to state enforcement actions, including, inter alia, negotiating inter-governmental agreements); *Puyallup Tribe, Inc. v. Dep't of Game*, 433 U.S. 165, 173 (1977) (vacating a state court order that directed the Puyallup Tribe to provide information regarding its members' off-reservation fishing activities on sovereign immunity grounds).

<sup>5</sup> *Cash Advance*, 242 P.3d at 1102 (Colo. 2010).

<sup>6</sup> *Ameriloan*, 86 Cal.Rptr.3d at 581-84 (holding that a tribally-owned payday lending company was entitled to tribal sovereign immunity and not subject to California laws).

<sup>7</sup> *Kiowa*, 523 U.S. at 754 (1998); *accord High Desert Recreations Inc. v. Pyramid Lake of Paiute Indians*, 341 F. App'x 325, 327 (9th Cir. 2009); *Cohen v. Little Six, Inc.*, 543 N.W.2d 376, 381 (Minn. Ct. App. 1996), decision aff'd, 561 N.W.2d 889 (Minn. 1997); *Gayle v. Little Six, Inc.*, 555 N.W.2d 284, 294 (Minn. 1996) (holding that tribal business entity organized for the general benefit of the Community and closely linked to the governing structure of the Community is entitled to sovereign immunity from civil action in state court).

PLAIN GREEN, LLC

P.O. Box 270  
Box Elder, MT 59521

**FACSIMILE FROM**  
**plain green**

Telephone: (406) 352-3313

Fax: (406) 352-3314

To:

Mr. Judah Griffin

Fax Number:

802-656-1423

Date:

6/10/2014

Regarding:

Ms. Karen Osborn

Pages:

2

From:

Sarah Parisian

Comments:

The information in this facsimile may contain confidential information intended for the use of the recipient named above. If the reader of this message is not the intended recipient or representative responsible for delivering it to the recipient, you are hereby notified that any disclosure of the contents is strictly prohibited. If you have received this transmission in error, please call (406) 352-3313.

**plain green**Plain Green, LLC  
93 Mack Road, Suite 600  
PO Box 270  
Box Elder, MT 59521

June 10, 2014

**Via Facsimile 802.656.1423**State of Vermont  
Office of the Attorney General  
Public Protection Division  
Attn: Judah Griffin, Consumer Advisor  
146 University Place  
Burlington, Vermont 05405

Re: 2014-4571 Karen Osborn

Dear Mr. Griffin:

Thank you for the opportunity to respond to your letter regarding a complaint filed by Ms. Osborn concerning Plain Green, LLC ("Plain Green"). Our tribal enterprises strive to provide excellent customer service, and we appreciate you informing us of Ms. Osborn's concerns.

By way of background, Plain Green is organized under the laws of the Chippewa Cree Tribe of the Rocky Boy's Indian Reservation of Montana, a federally recognized Indian Tribe. Plain Green, a limited liability company was created pursuant to the law of the Tribe and owned and operated by the Tribe exclusively on land owned by the Chippewa Cree. As such, Plain Green is an "arm of the Tribe", a sovereign Indian nation and is not subject to state law. See Colorado v. Cash Advance, No. 05CV 1143, slip op. (Denver Co. Dist. Ct. Feb. 18, 2012); Ameriloan v. Superior Court of Los Angeles County, 169 Cal. App. 4<sup>th</sup> 81 (Cal. Ct. App. 2008); Cash Advance v. State ex rel. Suthers, 242 P.3d 1099 (Colo. S. Ct. 2010).

All proper disclosures detailing the cost, interest rates, and applicable terms, were made and accepted by Ms. Osborn prior to the funding of this loan. Any payments made on this or prior loans were made according to the contracted rate and legal provisions of the Tribe will not be refunded.

Thank you for the opportunity to respond.

Sincerely,

Plain Green, LLC

|   |                        |  |  |
|---|------------------------|--|--|
| <p>PLAIN GREEN, LLC<br/> P.O. Box 270<br/> Box Elder, MT 59521</p>  |                        | <p><b>FACSIMILE FROM</b><br/> <b>plain green</b></p> <p>Telephone: (406) 352-3313<br/> Fax: (406) 352-3314</p> |  |
| <p>To: <i>Ms. Winnie Myers</i></p>  |                        |  |  |
| <p>Fax Number: <i>802-656-1423</i></p>  |                        |  |  |
| <p>Date: <i>6/17/14</i></p>   |                        |  |  |
| <p>Regarding: <i>Mr. Paul Collette</i></p>  | <p>Pages: <i>2</i></p> | <p>From: <i>Sarah Parisian</i></p>   |  |
| <p>Comments:</p> <div style="border: 1px dashed black; padding: 10px; margin: 20px auto; width: fit-content;"> <p>RECEIVED</p> <p>JUN 18 2014</p> <p>Completion #: <i>2014-4914</i></p> </div>  |                        |  |  |
| <p>The information in this facsimile may contain confidential information intended for the use of the recipient named above. If the reader of this message is not the intended recipient or representative responsible for delivering it to the recipient, you are hereby notified that any disclosure of the contents is strictly prohibited. If you have received this transmission in error, please call (406) 352-3313.</p> |                        |  |  |

plain green

Plain Green, LLC  
93 Mack Road, Suite 600  
PO Box 270  
Box Elder, MT 59521

June 17, 2014

**Via Facsimile 802.656.1423**

State of Vermont  
Office of the Attorney General  
Public Protection Division  
Attn: Linnea Myers, Consumer Advisor  
146 University Place  
Burlington, Vermont 05405

Re: 2014-4914 Consumer: Paul Collette

Dear Ms. Myers:

Thank you for the opportunity to respond to your letter regarding a complaint filed by Mr. Collette concerning Plain Green, LLC ("Plain Green"). Our Tribal enterprises strive to provide excellent customer service. We appreciate you informing us of Mr. Collette's concerns.

Our records indicate that Mr. Collette has paid off his Plain Green Loan. We would like to address any specific issues that Mr. Collette may have concerns with. Unfortunately, we do not have enough information regarding the specifics of Mr. Collette's complaint. At this time, we consider the matter closed until a more detailed complaint is received.

Thank you for the opportunity to respond.

Sincerely,

Plain Green, LLC

PLAIN GREEN, LLC

P.O. Box 270  
Box Elder, MT 59521

**FACSIMILE FROM**  
**plain green**

Telephone: (406) 352-3313

Fax: (406) 352-3314

To: Ms. Kinnea Myers

Fax Number: 802-656-1423

Date: 6/17/14

Regarding: Mr. Paul Collette

Pages: 2

From: Sarah Parisian

Comments:

JUL 09 2014

2014-4914

The information in this facsimile may contain confidential information intended for the use of the recipient named above. If the reader of this message is not the intended recipient or representative responsible for delivering it to the recipient, you are hereby notified that any disclosure of the contents is strictly prohibited. If you have received this transmission in error, please call (406) 352-3313.

plain green

Plain Green, LLC  
93 Mack Road, Suite 600  
PO Box 270  
Box Elder, MT 59521

June 17, 2014

Via Facsimile 802.656.1423

State of Vermont  
Office of the Attorney General  
Public Protection Division  
Attn: Linnea Myers, Consumer Advisor  
146 University Place  
Burlington, Vermont 05405

Re: 2014-4914 Consumer: Paul Collette

Dear Ms. Myers:

Thank you for the opportunity to respond to your letter regarding a complaint filed by Mr. Collette concerning Plain Green, LLC ("Plain Green"). Our Tribal enterprises strive to provide excellent customer service. We appreciate you informing us of Mr. Collette's concerns.

Our records indicate that Mr. Collette has paid off his Plain Green Loan. We would like to address any specific issues that Mr. Collette may have concerns with. Unfortunately, we do not have enough information regarding the specifics of Mr. Collette's complaint. At this time, we consider the matter closed until a more detailed complaint is received.

Thank you for the opportunity to respond.

Sincerely,

Plain Green, LLC

FAXED  
JUN 17 2014



**plain green**Plain Green, LLC  
93 Mack Road, Suite 600  
PO Box 270  
Box Elden MT 59521

July 25, 2014

Via Facsimile 802.656.1423State of Vermont  
Office of the Attorney General  
Public Protection Division  
Attn: Hanna Orselet  
146 University Place  
Burlington, Vermont 05405

Re: 2014-6020 Consumer Herman Powell

Dear Ms. Orselet:

Thank you for the opportunity to respond to your letter regarding a complaint filed by Mr. Herman Powell concerning Plain Green, LLC ("Plain Green"). We appreciate you informing us of Mr. Powell's concerns.

By way of background, Plain Green is a limited liability company organized under the laws of the Chippewa Cree Tribe of the Rocky Boy's Indian Reservation of Montana ("Chippewa Cree"), a federally recognized Indian Tribe. Plain Green is owned and operated by the Chippewa Cree Tribe and operates exclusively on land owned by the Tribe. As such, Plain Green is an arm of the Tribe, a sovereign Indian nation and is not subject to state law.

The issues presented in your letter were reviewed and it appears that the customer entered into a binding consumer loan agreement with Plain Green. All proper disclosures detailing the cost, interest rates, and applicable terms were made and accepted by Mr. Powell prior to the funding of this loan.

We have reached out to Mr. Powell to offer a better explanation of our processes and fees and to present a satisfactory offer. At this time, we are waiting to hear from the customer regarding the offer. We believe we have addressed Mr. Powell's concerns and that this matter to be closed with the State of Vermont.

Sincerely,

Plain Green, LLC



151 Melacon Road, Marksville, LA 71351  
Phone: 318-253-7793 Fax: 318-253-5266 Email: Mobiloans.com

fax

JUL 28 2014

2014-6092

|        |  |        |              |
|--------|--|--------|--------------|
| TO:    | Vermont Office of the Attorney General | FROM:  | Vernon Simon |
| FAX:   | 802-656-1423                           | PAGES: | 2            |
| PHONE: | [Recipient phone number]               | DATE:  | 7/25/2014    |
| ATTN:  | Ms. Hanna Orselet                      | CC:    |              |

- Urgent
- For Review
- Please Comment
- Please Reply
- Please Recycle

Response for customer complaint Re: 2014-6092 filed by Elizabeth Percy.



151 Melacon Road, Marksville, LA 71351  
Phone: 318-253-7793 Fax: 318-253-5266 Email: Mobiloans.com

June 24, 2014

**Via Facsimile: 802.656.1423**

Office of Attorney General, State of Vermont  
Public Protection Division  
Consumer Assistance Program  
Attn: Hanna Orselet  
146 University Place  
Burlington, Vermont 05405

Re: 2014-6092  
Consumer: Elizabeth Percey

Dear Ms. Orselet:

Thank you for the opportunity to address the concerns forwarded to your office by Ms. Elizabeth Percey #2014-6092.

We strive to provide excellent customer service. We have reached out to Ms. Percey to offer a better explanation of the actions that were taken as a result of her credit application. At this time, we believe we have satisfactorily addressed Ms. Percey's concerns, bringing this matter to a close.

Thank you for the opportunity to respond.

Sincerely,

A handwritten signature in cursive script, appearing to read "Vernon Simon".

Vernon Simon  
MobiLoans, LLC.

WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE R. YOUNG  
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN  
CHIEF ASST. ATTORNEY  
GENERAL



TEL: (802) 828-3171  
FAX: (802) 828-3187  
TTY: (802) 828-3665

<http://www.atg.state.vt.us>

STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL  
109 STATE STREET  
MONTPELIER, VT  
05609-1001

July 28, 2014

Via Electronic and Regular Mail

Alex Lozada, Esq.  
Rosette, LLP  
Attorneys at Law  
193 Blue Ravine – Suite 255  
Folsom, CA 95630

**Re: NAFSA and Vermont Offer of Resolution on Consumer Loans**

Dear Alex,

I am writing to provide Vermont's offer of resolution regarding consumer loans made to Vermont residents from companies affiliated with NAFSA.<sup>1</sup> First, I'd like to express our appreciation for NAFSA travelling to Vermont and meeting with us in April. I believe we had a very productive meeting, exchanging information and the parties' respective positions. We discussed a possible resolution that I would now like to outline.

Presently, Vermont courts have not considered the issue of whether tribal immunity would apply to an out-of-state lending entity organized under a federally-recognized Indian tribe. We believe that our neutral consumer protection laws apply to all out-of-state lenders who make consumer loans over the internet to Vermont residents.<sup>2</sup> That said, we recognize and appreciate

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<sup>1</sup> My understanding is that the following entities are NAFSA members and would be covered by this agreement: Great Plains Lending, LLC (Otoe-Missouria Tribe), Plain Green Loans, LLC (Chippewa Cree Tribe), Big Eye Lending, Harvest Moon and Gentle Breeze loans (La Posta Tribal Lending Enterprises); Red Rock Tribal Lending, LLC (Lac Vieux Desert Band of Lake Superior Chippewa Tribe); Silver Cloud and Golden Valley Lending (Habematolel Pomo Tribe of Upper Lake, CA).

<sup>2</sup> Under the Consumer Protection Act, 9 V.S.A. § 2481w, a lender must comply with Title 8, Chapter 73, which requires a state lending license and compliance with our interest rate limits contained in 9 V.S.A. § 41a (limiting the interest charged on personal loans to 12-25% per annum).

that NAFSA has taken significant steps to ensure that its consumer lending business is conducted fairly, transparently, and in accordance with all applicable tribal and federal laws.

Given NAFSA's strong commitment to integrity in conducting its consumer loan business, we are willing to treat NAFSA lenders differently than other lenders. [Our usual approach with unlicensed lenders is strict enforcement, requiring full restitution to consumers, penalties to the State, and immediate injunctive relief.] Specifically, we would be glad to honor NAFSA members' status as independent sovereigns, and to treat them the same as another state sovereign. Consequently, my office would be willing to apply the following provision of Title 8, and allow NAFSA lenders to enforce all of their current outstanding loans up to the extent allowed by Vermont law:

[A]ny loan legally made in any state which then had in effect a regulatory loan law similar in principle to this chapter may be enforced in this state only to the extent of collecting the principal amount owed and interest thereon at a rate not greater than that authorized by section 41a or 46 of Title 9. 8 V.S.A. § 2233(a).

In essence, this recognizes NAFSA's regulatory loan laws and their status similar to a "state" under section 2233(a). As to implementation, I propose the following elements of an agreement:

1. Within 30 days of agreement, NAFSA lenders agree to stop advertising or soliciting in Vermont. This would mean ceasing any television and paid internet ads from appearing in Vermont (my understanding of geo-targeting advertising is that NAFSA lenders can simply disable "Vermont" as a region).
2. Within 30 days of agreement, NAFSA lenders agree to stop making new loans to Vermont residents. This would mean disabling the website options for Vermont residents who apply for personal loans.
3. Regarding outstanding loans in Vermont, NAFSA lenders agree to follow 8 V.S.A. § 2233(a), and collect on loans up to the Vermont interest rate limits (12-24%). This means effectively modifying all current loans. I would suggest that within 30 days, NAFSA lenders send a letter to all of their Vermont borrowers, briefly explaining that "as a result of an agreement with the Vermont Attorney General's Office, we are modifying your loan as follows [and then describe the modified payment structure]" or something to that effect.
4. We would not seek restitution of past amounts collected. This is a major concession in NAFSA's favor.
5. A one-time payment of \$25,000 to fund consumer protection and education efforts.

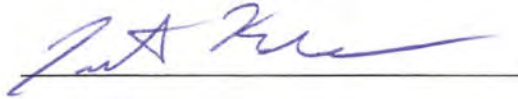
All of the above would be memorialized in an Assurance of Discontinuance ("AOD"). While I understand that NAFSA would probably prefer a different vehicle (such as an MOU), unfortunately my office cannot enter into such arrangements. We are required by statute to be a public agency, with all agreements memorialized in AODs that are filed with the superior court. We simply cannot enter into a private settlement document. However, I can assure you we would gladly draft the AOD to accommodate NAFSA's concerns, and will include exculpatory language, and nothing in the AOD will contain any admission of wrongdoing. We also would be



glad to discuss our public announcement, describing this as a mutually-beneficial cooperative arrangement, rather than focusing on NAFSA lenders as targets for enforcement.

I am extremely hopeful that we can discuss and agree on the above terms. A mutual outcome like the above seems far more preferable to litigating the differences in our positions. Please let me know soon, and I can be available to discuss and/or provide a draft AOD.

Sincerely,

A handwritten signature in blue ink, appearing to read "Justin Kolber", is written over a horizontal line.

Justin Kolber  
Assistant Attorney General

WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN  
CHIEF ASST. ATTORNEY  
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WEBPAGE: [www.atg.state.vt.us](http://www.atg.state.vt.us)

April 22, 2014

American Web Loan, Inc.  
522 North 14 St., Box 130  
Ponca City, OK 74601

Via Fax: 877-636-1353; Certified Mail; and E-Mail:  
[customerservice@americanwebloan.com](mailto:customerservice@americanwebloan.com)

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe that **American Web Loan** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). Our position is that any such loans would violate Vermont law, and we would immediately require you to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support.

We understand that American Web Loan may be owned, in part or whole, by a federally-recognized Indian tribe.<sup>1</sup> If this is so, please provide support, and we would be glad to discuss the below letter and its contents with you. At this time, however, our position is that American Web Loan must comply with the below.

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<sup>1</sup> Great Plains Lending, LLC, affiliated with the Otoe-Missouria tribe.

Unlicensed money lending (including payday lending<sup>2</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that “no person shall . . . engage in the business of making loans of money [or] credit” without “first obtaining a license from” the state Department of Financial Regulation (“DFR”). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending. *See* 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>3</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **American Web Loan** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made.”). *See also Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does not have any real

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<sup>2</sup> *See* 8 V.S.A. § 2519(a)(13).

<sup>3</sup> *See West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); *see also Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).



property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: “[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, ‘it has clear notice that it is subject to [jurisdiction] there’....” (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292 (Pa. 2010) (out-of-state internet lender subject to Pennsylvania’s “licensing and regulatory restrictions”).

We look forward to hearing from you. Please contact this office with any questions.

Sincerely,



Justin Kolber  
Assistant Attorney General

WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN  
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April 22, 2014

**Bear Paw Finance**  
d/b/a Plain Green Loans

P.O. Box 255  
Box Elder, MT 59521

93 Mack Road, Suite 600  
Box Elder, MT 59521

Via Certified Mail; and E-Mail: [support@bearpawcash.com](mailto:support@bearpawcash.com)

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe that **Bear Paw Finance** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). Our position is that any such loans would violate Vermont law, and we would immediately require you to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support.

We understand that **Bear Paw Finance** may be owned, in part or whole, by a federally-recognized Indian tribe.<sup>1</sup> If this is so, please provide support, and we

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<sup>1</sup> Plain Green Loans, LLC, affiliated with the Chippewa Cree tribe.

would be glad to discuss the below letter and its contents with you. At this time, however, our position is that **Bear Paw Finance** must comply with the below.

Unlicensed money lending (including payday lending<sup>2</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that “no person shall . . . engage in the business of making loans of money [or] credit” without “first obtaining a license from” the state Department of Financial Regulation (“DFR”). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending. *See* 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>3</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **Bear Paw Finance** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be

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<sup>2</sup> *See* 8 V.S.A. § 2519(a)(13).

<sup>3</sup> *See West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); *see also Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).

subject to [Vermont law] notwithstanding where the loan was legally made.”). See also *Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does not have any real property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: “[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, ‘it has clear notice that it is subject to [jurisdiction] there’ ....” (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292 (Pa. 2010) (out-of-state internet lender subject to Pennsylvania’s “licensing and regulatory restrictions”).

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,



Justin Kolber  
Assistant Attorney General

WILLIAM H. SORRELL  
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SUSANNE YOUNG  
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April 22, 2014

Big Eye Lending  
P.O. Box 636  
Finley, CA 95435

Via Certified Mail

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe that **Big Eye Lending** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). If so, you are hereby advised to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support. Otherwise, you are instructed to comply with the below.

Unlicensed money lending (including payday lending<sup>1</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that "no person shall . . . engage in the business of making loans of money [or] credit" without "first obtaining a license from" the state Department of Financial Regulation ("DFR"). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending. See 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

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<sup>1</sup> See 8 V.S.A. § 2519(a)(13).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>2</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **Big Eye Lending** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made.”). See also *Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does not have any real property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: “[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, ‘it has clear notice that it is subject to [jurisdiction] there’....” (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292 (Pa. 2010) (out-of-state internet lender subject to Pennsylvania’s “licensing and regulatory restrictions”).

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<sup>2</sup> See *West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); see also *Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Justin Kolber".

Justin Kolber  
Assistant Attorney General



WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
DEPUTY ATTORNEY GENERAL

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April 22, 2014

Blue Chip Financial  
d/b/a spotloan.com  
728 B Ogden Ave.  
Downers Grove, IL 60515

Via Certified Mail; and E-Mail: [help@spotloan.com](mailto:help@spotloan.com)

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe that **spotloan.com** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). If so, you are hereby advised to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support. Otherwise, you are instructed to comply with the below.

Unlicensed money lending (including payday lending<sup>1</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that "no person shall . . . engage in the business of making loans of money [or] credit" without "first obtaining a license from" the state Department of Financial Regulation ("DFR"). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending.

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<sup>1</sup> See 8 V.S.A. § 2519(a)(13).



See 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>2</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **spotloan.com** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made.”). *See also Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does not have any real property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: “[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, ‘it has clear notice that it is subject to [jurisdiction] there’....” (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292

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<sup>2</sup> *See West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); *see also Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).

(Pa. 2010) (out-of-state internet lender subject to Pennsylvania's "licensing and regulatory restrictions").

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Justin Kolber".

Justin Kolber  
Assistant Attorney General

WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
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April 22, 2014

Blue Sky Finance, LLC  
d/b/a Extrafunds.com, LLC

33 North Main St., Suite 201  
Logan, Utah 84321-5569

P.O. Box 528  
Hays, MT 59527

Via Certified Mail

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe that **Extrafunds.com** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). If so, you are hereby advised to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support. Otherwise, you are instructed to comply with the below.

Unlicensed money lending (including payday lending<sup>1</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that "no person shall . . . engage in the business of making loans of money [or] credit" without "first obtaining a license from" the state Department of Financial Regulation ("DFR").

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<sup>1</sup> See 8 V.S.A. § 2519(a)(13).

8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending. See 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>2</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **Extrafunds.com** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made.”). See also *Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does not have any real property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: “[w]hen a defendant makes a conscious choice to conduct business [over the

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<sup>2</sup> See *West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); see also *Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).

Internet] with the residents of a forum state, 'it has clear notice that it is subject to [jurisdiction] there'...." (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292 (Pa. 2010) (out-of-state internet lender subject to Pennsylvania's "licensing and regulatory restrictions").

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,



Justin Kolber  
Assistant Attorney General



151 Melacon Road, Marksville, LA 71351  
Phone: 318-253-7793 Fax: 318-253-5266 Email: Mobiloans.com

JUN 16 2014

2014-4861

fax

|        |  |        |              |
|--------|--|--------|--------------|
| TO:    | Vermont Office of the Attorney General | FROM:  | Vernon Simon |
| FAX:   | 802-656-1423                           | PAGES: | 2            |
| PHONE: | [Recipient phone number]               | DATE:  | 6/11/2014    |
| ATTN:  | Mr. William E. Griffin                 | CC:    |              |

- Urgent
- For Review
- Please Comment
- Please Reply
- Please Recycle

Response for customer complaint Re: 2014-4861 filed by Brian Campton



151 Melacon Road, Marksville, LA 71351  
Phone: 318-253-7793 Fax: 318-253-5266 Email: Mobiloans.com

June 11, 2014

**Via Facsimile: 802.656.1423**

Office of Attorney General, State of Vermont  
Public Protection Division  
Consumer Assistance Program  
Attn: Judah Griffin  
146 University Place  
Burlington, Vermont 05405

Re: 2014-4861  
Consumer: Brian Campton

Dear Mr. Griffin:


Thank you for the opportunity to address the concerns forwarded to your office by Mr. Brian Campton #2014-4861.

All fees and terms and conditions are clearly disclosed on our website located at [www.mobiloans.com](http://www.mobiloans.com) and during the application process. At the time Mr. Campton obtained the line of credit, he was presented with the terms and conditions, including information on our fees and processes, which he acknowledged and accepted. Additionally, MobiLoans does not charge any fees above and beyond what is disclosed and acknowledged by the customer.

We strive to provide excellent customer service. We have reached out to Mr. Campton to offer a better explanation of our processes and fees. In March 2014, Mr. Campton's account was sold to a credit collection company. Given that this company has the legal right to collect upon the debt, as it is no longer held by MobiLoans, we are unable to do anything further for this account. At this time, we believe we have satisfactorily addressed Mr. Campton's concerns, bringing this matter to a close.

Thank you for the opportunity to respond.

Sincerely,

MobiLoans, LLC.  
  
Vernon Simon  
MobiLoans, LLC.

**Lac Vieux Desert Band Of Lake Superior Chippewa Tribal  
Government**

P.O. Box 249, Pow Wow Trail • Watersmeet, Michigan 49969  
Phone: 906-358-4577 • Fax: 906-358-4785



RECEIVED AT CAP

OCT 01 2013

Complaint #: \_\_\_\_\_

OFFICE OF GENERAL COUNSEL

September 27, 2013

**VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Ms. Indah Griffin  
Consumer Advisor  
State of Vermont  
Office of the Attorney General  
Public Protection Division  
146 University Place  
Burlington, VT 05405

**RE: Response to Letter Concerning Consumer Complaint of Melissa Benway,  
Complaint File # 2013-4318**

Dear Ms. Griffin:

We are in receipt of correspondence dated August 30, 2013 that was forwarded to my office on September 12, 2013 regarding Red Rock Tribal Lending, LLC, d/b/a CastlePayday.com (the "Company"). The purpose of this correspondence is to inform you that all collection efforts actions have ceased and Ms. Melissa Benway's account has been "Charged Off" and updated to a status of "Paid in Full." However, just the same, we would like to take this time introduce our Company to you and to offer information regarding our business practices.

The Company, is a 100% tribally owned and operated entity of the Lac Vieux Desert Band of Lake Superior Chippewa Indians (the "Tribe"), registered and located on the Tribe's reservation in Watersmeet, Michigan (the "Reservation"). The Tribe is a federally-recognized sovereign American Indian tribe.<sup>1</sup> For your information, the Company is responsibly and lawfully engaged in consumer finance operating within the Tribe's Reservation and jurisdictional boundaries. The Company was established and operates in accordance with Tribal law for the

<sup>1</sup> 75 FED. REG. 60,810, 60,811. See also PL 100-420, 102 Stat. 1577 (Sept. 8, 1988).



economic benefit and self-sufficiency of the Tribe, its government, and its membership and is a wholly owned, managed, controlled and operated instrumentality of the Tribe.<sup>2</sup>

As a sovereign nation, the Tribe has enacted laws allowing for and regulating consumer finance transactions in which the Company engages, and, therefore, is not subject to Vermont law.<sup>3</sup> Indeed, there is long-standing federal policy and precedent recognizing the inherent sovereignty of American Indian tribes.<sup>4</sup> “Indian tribes are ‘domestic dependent nations’ that exercise inherent sovereign authority over their members and territories.”<sup>5</sup> In exercising the Tribe’s sovereignty – that is, the power to establish laws and be governed by them – the Tribe endeavored to enact the Tribal Consumer Financial Services Regulatory Code, which expressly governs the Tribe’s and the Company’s consumer finance activities. Additionally, the Company voluntarily complies with all applicable federal consumer protection laws to ensure that it amply protects its customers and operates within the legal boundaries established by the United States to protect free industry as well as the American public. The Company strives to engage only in industry best practices and is overseen by a Regulatory Authority established pursuant to Tribal law that is specifically tasked with regulating the Company’s consumer finance activities, its relationship with its vendors, and its fair and equitable treatment of its customers.

While, as previously mentioned, Vermont law is not enforceable as applied to the activities of the Company, we believe it important to inform you that the Company represents an effort of the Lac Vieux Desert Band of Lake Superior Chippewa Indians to create economic development and employment opportunities for its citizens. Like many American Indian tribes, the Tribe’s Reservation exists in territorial isolation on Michigan’s Upper Peninsula and lacks access to traditional forms of capital. Without the means to develop and invest in its Tribal lands, the Lac Vieux Desert Band of Lake Superior Chippewa community has not been able to obtain a sustainable capital base from which to provide basic governmental services for its people. Resultantly, the Tribe has struggled for decades to fulfill its duty to develop businesses and infrastructure, health care, and other vital services for its members.

The advent of e-commerce has created an opportunity for the Tribe to spur economic development on our Reservation despite its geographic isolation. As one of many industries developed by the Tribe, the offering of consumer finance products is a legal enterprise that provides a pathway to economic stability for our Tribe and Tribal members. Our consumer finance business provides a vital service to many Americans who would otherwise be without access to short-term financial assistance and in so doing creates economic and employment opportunities for our Tribal members.

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<sup>2</sup> Unlike other entities that are widely publicized, but are undisputedly not wholly tribally owned and operated, the Company is a robust, fully functioning instrumentality of the Tribe, possessing all attributes of sovereignty related thereto.

<sup>3</sup> *California v. Cabazon Band of Mission Indians*, 480 U.S. 202 (1987).

<sup>4</sup> See, e.g., *Johnson v. M’Intosh*, 21 U.S. 543 (1823); *Three Affiliated Tribes of Ft. Berthold Reservation v. Wold Eng’g*, 476 U.S. 877 (1986).

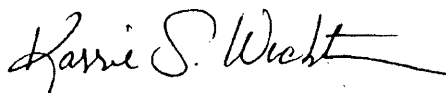
<sup>5</sup> *Okla. Tax Comm’n v. Citizen Band of Potawatomi Indian Tribe*, 498 U.S. 505, 509 (1991), citing *Cherokee Nation v. Georgia*, 30 U.S. 1, 13 (1831)

Again, we assure you that the Company is regulated under, and in compliance with, the Lac Vieux Desert Band of Lake Superior Chippewa Tribal Consumer Financial Services Regulatory Code, and all relevant and applicable federal laws and regulations. As part of this regulation, the Company ensures that, when applying for and receiving a loan, consumers are provided extensive notice regarding the fact that the Company is owned and operated by a federally-recognized Indian tribe and that the customer is agreeing to be bound by Tribal law. To be sure, the consumer must affirmatively consent to rights afforded under the Lac Vieux Desert Band of Lake Superior Chippewa Tribal Consumer Financial Services Regulatory Code, including its consumer complaint procedures. Furthermore, we can attest that in offering our consumer finance products, the Company does not engage in excessive or abusive collection practices. Instead, the Company strives to engage only in industry best practices with respect to our customers.

We understand your obligation to inquire into the business practices on behalf of Vermont consumers and we hope this letter provides you with a certain level of comfort from one sovereign to another. Moreover, we again stress that our Company is indeed compliant with applicable Tribal and federal laws and restate that the laws of Vermont do not apply to our Company or in any way impact the sovereign laws of the Lac Vieux Desert Band of Lake Superior Chippewa Indians. Nevertheless, with regard to the consumer named in your correspondence of August 30, 2013, our Company has charged off and updated Ms. Benway's account status to "Paid in Full."

We thank you for your inquiry and hope that you find the information that we have provided informative and instructive with regard to the State of Vermont's regulatory authority as it relates to the Company. Additionally, please be advised that response to your letter, and the explanation provided in this correspondence is not to be deemed a waiver of the sovereign rights and privileges of the Tribe or the Company, all of which are expressly reserved. Please send any further correspondence regarding this matter to my attention at: Red Rock Tribal Lending, LLC, P.O. Box 704, Watersmeet, MI 49969.

Kindest regards,



Ms. Karrie Wichtman, General Counsel  
Lac Vieux Desert Band of Lake Superior Chippewa Indians

**STATE OF VERMONT  
OFFICE OF ATTORNEY GENERAL**

**IN RE:            FSST Financial Services, LLC        )**

**CIVIL INVESTIGATIVE SUBPOENA DUCES TECUM  
PURSUANT TO 9 V.S.A. § 2460**

**TO:**    FSST Financial Services, LLC  
          d/b/a Action Payday Loan Services  
          d/b/a Bottom Dollar Payday Loans

          P.O. Box 283  
          Flandreau, SD 57028

In connection with the above investigation, and pursuant to 9 Vermont Statutes Annotated (V.S.A.) § 2460, as amended, you are required to provide responses under oath to the following questions, and to provide the following documents, all to the Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609, no later than ten days from the date this Subpoena is received.

This is a confidential proceeding pursuant to 9 V.S.A. § 2460(a). You are entitled to consult with a lawyer in connection with this Subpoena. You are encouraged to contact the undersigned Assistant Attorney General prior to responding.

**BASIS FOR ISSUING SUBPOENA**

The Attorney General has reason to believe that FSST Financial Services, LLC has engaged in unfair and deceptive acts and practices in connection with unlicensed lending, in violation of the Vermont Consumer Protection Act, 9 V.S.A. ch. 63. The purpose of this subpoena is to identify all loan transactions involving Vermont consumers and the use of consumer

**Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609**

information. A follow-up subpoena may be issued to investigate further activities in connection with such transactions.

### **INSTRUCTIONS AND DEFINITIONS**

A. **Documents.** You are required to produce the originals or legible photographic copies of all the documents described in this subpoena that are in your actual or constructive possession, custody or control. *Please produce all documents electronically, and Bates-stamp all documents, and refer to the stamp numbers in your responses, as appropriate.*

B. **Claims of privilege.** If any document called for by this subpoena is withheld under any claim of privilege, you are required to furnish a list identifying each document or portion of a document for which the privilege is claimed, together with the basis on which the privilege is claimed, and the paragraph or subparagraph of this subpoena to which the withheld document would respond.

C. **Lost, removed, destroyed, or altered documents.** If any document responsive to this subpoena has been lost, removed, destroyed or altered prior to the service of this subpoena, furnish, for each such document: (i) a description of the document to the extent known, and the last time and location that the document is known or believed to have existed; (ii) the date, sender, recipient and other persons to whom copies were sent, subject matter, present location, and location of any copies; and (iii) the identity of any person authorizing or participating in any removal, destruction or alteration; date of such loss, removal, destruction or alteration; and the method and circumstances of such removal, destruction or alteration.

D. **Certificate of Compliance.** Attached to this request is a Certificate of Compliance for you to sign, have notarized and return with your response.

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609



E. **Timeframe for response.** Unless otherwise specified, the timeframe covered by this Subpoena is from *January 1, 2012, through the present.*

F. **“You” and “your”** means FSST Financial Services, LLC, Action Payday Loan Services, Bottom Dollar Payday Loans, any related “d/b/a’s”, and any company, person or program affiliated with one or more of those entities.

**QUESTIONS TO BE RESPONDED TO AND DOCUMENTS TO BE PRODUCED**

1. State your full name (including corporate name), address and telephone number.
2. Provide a complete list of all websites owned, controlled or operated, in whole or in part, by you.
3. State when you first began offering or making consumer loans:
  - a. Anywhere in the United States; and
  - b. In or into the State of Vermont.
4. Provide a complete list of every consumer in the State of Vermont to whom you have loaned any money since January 1, 2012, and, for each such consumer (*note: please set out all information other than the documents requested below, in separate fields in an Excel spreadsheet*):
  - a. Provide the consumer’s last name, first name, street addresses, city, state and zip code, and any other related contact or identifying information (i.e., any internal consumer identification number);
  - b. Provide the consumer’s bank information, including name, location, and the last four digits of any bank account number(s);
  - c. Provide the date, amount, term and interest rate of each loan;

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
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05609

- d. Provide the amount collected by You (including all principal, fees, interest, and any other charges, each listed separately);
  - e. State the method by which you collected the amounts from each consumer (i.e., automatic debit, check, credit card payment, etc.); and
  - f. Provide all supporting documentation for each consumer loan (loan agreements, correspondence, transaction records, etc.).
5. Identify all lead generators, aggregators, and any other third parties involved in marketing, soliciting, and advertising loans on your behalf.
6. If you purchased or obtained any customer list or list of borrower leads, identify all entities who sold or provided you such lists.
7. Identify all aggregators, debt collectors, or any other companies or persons who since January 1, 2012, have purchased, obtained or had access to your customer information, including contact information of borrowers or applicants.
8. For all such entities identified in question #6, describe how you sell, provide, or allow access to customer information, including contact information of borrowers or applicants, to such entity.
9. Identify all financial institutions and payment processors involved in processing loans and payments in, into, or from Vermont, or in connection to a Vermont resident or an individual with a Vermont address, on your behalf, excluding the consumer's bank(s).
10. State the name, address and position of all persons who participated in responding to this Subpoena.

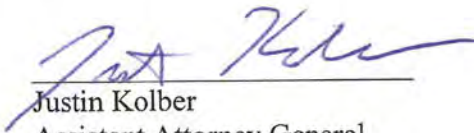
**STATUTORY PENALTIES**

Any person who, with intent to avoid, evade, or prevent compliance, in whole or in part, with any civil investigation under 9 V.S.A. § 2460, removes from any place, conceals, withholds, or destroys, mutilates, alters, or by any other means falsifies any documentary material in the possession, custody or control of any person of any such notice, or mistakes or conceals information, shall be fined not more than \$25,000.00 pursuant to 9 V.S.A. § 2460. Failure to comply with the subpoena may result in an assessment of civil penalties and costs of enforcement.

DATED at Montpelier, Vermont this 7<sup>th</sup> day of October, 2016.

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By:

  
Justin Kolber  
Assistant Attorney General  
Office of the Attorney General  
109 State Street  
Montpelier, Vermont 05609  
802.828.5620

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609



STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL

IN RE: FSST Financial Services, LLC )

CERTIFICATE OF COMPLIANCE

I, \_\_\_\_\_, hereby certify that I have reviewed the responses to  
the Civil Investigative Subpoena dated \_\_\_\_\_, and that they are true and accurate to  
the best of my knowledge and belief. I further certify that all of the requested material within the  
possession, custody, or control of the person to whom said Subpoena is directed has been produced,  
except that for which a privilege has expressly been claimed.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

Subscribed to and sworn to before me at \_\_\_\_\_, \_\_\_\_\_,  
City State/Province  
this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609



WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN  
CHIEF ASST. ATTORNEY  
GENERAL



STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL  
109 STATE STREET  
MONTPELIER  
05609-1001

TEL: (802) 828-3171  
FAX: (802) 828-2154  
TTY: (802) 828-3665  
CIVIL RIGHTS: (802) 828-3657  
WEBPAGE: [www.atg.state.vt.us](http://www.atg.state.vt.us)

April 22, 2014

La Posta Band of Mission Indians  
d/b/a Gentle Breeze  
d/b/a Harvest Moon Loans  
8 ½ Crestwood Rd.  
Boulevard, CA 91905

Via Fax: 888-570-8777; Certified Mail; and E-Mail:  
[CustomerService@HarvestMoonLoans.com](mailto:CustomerService@HarvestMoonLoans.com)

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe **La Posta Band of Mission Indians** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). If so, you are hereby advised to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support.

We understand that **Harvest Moons/Gentle Breeze lending** may be owned, in part or whole, by a federally-recognized Indian tribe. If this is so, please provide support, and we would be glad to discuss the below letter and its contents with you. At this time, however, our position is that you must comply with the below.

Unlicensed money lending (including payday lending<sup>1</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that “no person shall . . . engage in the business of making loans of money [or] credit” without “first obtaining a license from” the state Department of Financial Regulation (“DFR”). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending. *See* 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>2</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **La Posta Band of Mission Indians** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made.”). *See also Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does

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<sup>1</sup> *See* 8 V.S.A. § 2519(a)(13).

<sup>2</sup> *See West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); *see also Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).

not have any real property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: “[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, ‘it has clear notice that it is subject to [jurisdiction] there’....” (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292 (Pa. 2010) (out-of-state internet lender subject to Pennsylvania’s “licensing and regulatory restrictions”).

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,



Justin Kolber  
Assistant Attorney General

WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN  
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WEBPAGE: [www.atg.state.vt.us](http://www.atg.state.vt.us)

April 22, 2014

Miami Nation Enterprise

P.O. Box 1525  
Miami, OK 74354

P. O. Box 111  
Miami, OK 74355

3531 P Street NW  
Miami, OK 74355

*Via Certified Mail*

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe that **Miami Nation Enterprise** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). If so, you are hereby advised to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support. Otherwise, you are instructed to comply with the below.

Unlicensed money lending (including payday lending<sup>1</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that "no person shall . . . engage in the business of making loans of money [or] credit" without "first

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<sup>1</sup> See 8 V.S.A. § 2519(a)(13).

[Type text]

obtaining a license from” the state Department of Financial Regulation (“DFR”). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending. See 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>2</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **Miami Nation Enterprise** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made.”). See also *Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does not have any real property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet

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<sup>2</sup> See *West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); see also *Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).

[Type text]

activity: “[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, ‘it has clear notice that it is subject to [jurisdiction] there’....” (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292 (Pa. 2010) (out-of-state internet lender subject to Pennsylvania’s “licensing and regulatory restrictions”).

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Justin Kolber".

Justin Kolber  
Assistant Attorney General

**STATE OF VERMONT  
OFFICE OF ATTORNEY GENERAL**

**IN RE: Mobiloans, LLC    )**

**CIVIL INVESTIGATIVE SUBPOENA DUCES TECUM  
PURSUANT TO 9 V.S.A. § 2460**

**TO:   Mobiloans, LLC  
      PO Box 1409  
      Marksville, LA 71351**

**151 Melacon Drive  
Marksville, LA 71351**

In connection with the above investigation, and pursuant to 9 Vermont Statutes Annotated (V.S.A.) § 2460, as amended, you are required to provide responses under oath to the following questions, and to provide the following documents, all to the Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609, no later than ten days from the date this Subpoena is received.

This is a confidential proceeding pursuant to 9 V.S.A. § 2460(a). You are entitled to consult with a lawyer in connection with this Subpoena. You are encouraged to contact the undersigned Assistant Attorney General prior to responding.

**BASIS FOR ISSUING SUBPOENA**

The Attorney General has reason to believe that Mobiloans has engaged in unfair and deceptive acts and practices in connection with unlicensed lending, in violation of the Vermont Consumer Protection Act, 9 V.S.A. ch. 63. It is a violation of the Act for a lender to: (i) make loans in Vermont without a license under 8 V.S.A. §§ 2201 & 2233(b); and (ii) charge interest rates above the legal limits set forth in 9 V.S.A. § 41a.

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

## INSTRUCTIONS

A. **Form of response.** In responding to each question, please reproduce the question before the answer provided in response. In responding to requests for document production, please state which documents are responsive to which request, and reference Bates numbers.

B. **Documents.** You are required to produce the originals or legible photographic copies of all the documents described in this subpoena that are in your actual or constructive possession, custody or control. *Please produce all documents electronically, and Bates-stamp all documents, and refer to the stamp numbers in your responses, as appropriate.*

C. **Claims of privilege.** If any document called for by this subpoena is withheld under any claim of privilege, you are required to furnish a list identifying each document or portion of a document for which the privilege is claimed, together with the basis on which the privilege is claimed, and the paragraph or subparagraph of this subpoena to which the withheld document would respond.

D. **Lost, removed, destroyed, or altered documents.** If any document responsive to this subpoena has been lost, removed, destroyed or altered prior to the service of this subpoena, furnish, for each such document: (i) a description of the document to the extent known, and the last time and location that the document is known or believed to have existed; (ii) the date, sender, recipient and other persons to whom copies were sent, subject matter, present location, and location of any copies; and (iii) the identity of any person authorizing or participating in any removal, destruction or



alteration; date of such loss, removal, destruction or alteration; and the method and circumstances of such removal, destruction or alteration.

E. **Certificate of Compliance.** Attached to this request is a Certificate of Compliance for you to sign, have notarized and return with your response.

F. **Timeframe for response.** Unless otherwise specified, the timeframe covered by this Subpoena is from *January 1, 2009, through the present.*

### **DEFINITIONS**

A. **“Document”** includes, without limitation, any written, printed or graphic matter of any kind, including writings, drawings, graphs, charts, calendars, photographs, sound recordings, images; and any electronic data transmission or compilation. **“Document”** includes copies if the copy bears any other marking or notation of any kind, and each such document shall include all attachments, enclosures, appendices, exhibits, and drafts of each such document, that are in your actual or constructive possession, custody, or control.

B. **“Mobiloans”** means Mobiloans, LLC; any related “d/b/a’s”; and any company, person or program affiliated with those entities.

C. **“Identify”** (with respect to documents) means to state, to the extent known, the type of document, its general subject matter, and the date of the document; and to identify any authors, addressees and recipients. Once a document is identified in accordance with this definition, the document may be referred to by Bates number.

D. **“You”** and **“your”** refer to Mobiloans, as defined above.

### **QUESTIONS TO BE RESPONDED TO AND DOCUMENTS TO BE PRODUCED**

1. State your full name (including corporate name), address and telephone number.

2. Describe the history of Mobiloans, including: (a) when it was established; (b) where; (c) by whom; (d) for what purpose; and (e) any changes in the company's structure since its establishment.

3. Provide all documents showing Mobiloans's organizational structure, including: (a) all current directors, members or owners; (b) any Articles of Incorporation; and (c) any corporate by-laws.

4. State the name, address and telephone number of any and all companies with which you are affiliated and the nature of the affiliation, including, without limitation: (a) all predecessors, subsidiaries, affiliates, branches, divisions, groups, operations, units, parent organizations, plants, and any joint ventures of which you are a part; and (b) each of the present or former officers, directors, employees, agents, and representatives of Mobiloans or the entities listed in subparagraph (a) above.

5. Provide all documents concerning all other names in which you act, operate, or conduct your business, including the names of all payment processors, loan servicers, and affiliates.

6. Identify and produce all business licenses, certificates of authority, surety bonds or surety accounts, and any other official licenses or authorizations allowing Mobiloans, or any of its parent companies, corporate affiliates, or subsidiaries, to provide consumer loans or engage in any business in Vermont (including applications and supporting documents filed to obtain the licenses and authorizations).

7. Describe generally all of your business operations.

8. Describe how Mobiloans conducts its consumer lending business, including, but not limited to:

- a. How Mobiloans contacts consumers and acquires its customers (describe any marketing, advertisements, solicitation, etc.)
- b. A detailed description of all loan services that Mobiloans offers to consumers;
- c. All fees Mobiloans charges for each of its consumer loans;
- d. How Mobiloans determines what fees to charge;
- e. The interest rates that Mobiloans charges for each of its consumer loans;
- f. How Mobiloans determines what interest to charge;
- g. How Mobiloans collects money from consumers (i.e., check, automatic debits or ACH processing, etc.); and
- h. What kinds of records are kept by Mobiloans, including contacts with consumers, including but not limited to: documents, recordings, e-mails, etc.

9. Provide copies of all documents which Mobiloans provides to prospective customers, including but not limited to, marketing materials, e-mails, phone scripts, webpages, etc.

10. State when Mobiloans first began offering or making consumer loans:

- a. Anywhere in the United States; and
- b. In or into the State of Vermont.

11. If Mobiloans ceased making consumer loans anywhere in the United States, state: (a) where; (b) when; and (c) why Mobiloans stopped making such loans.

12. Provide a complete list of all websites owned, controlled or operated, in whole or in part, by Mobiloans.

13. Provide a complete list of every consumer in the State of Vermont to whom you have loaned any money since January 1, 2009 and, for each such consumer (*note: please set out all information other than the documents requested below, in the Excel spreadsheet sent to you electronically*):

- a. Provide the consumer's name, addresses, and any other related contact or identifying information (i.e., any internal consumer identification number);
- b. Provide the consumer's bank information, including name, location, and the last four digits of any bank account number(s);
- c. Provide the date, amount, term and interest rate of each loan;
- d. Provide the amount collected by You (including all principal, fees, interest, and any other charges, each listed separately);
- e. State the method by which you collected the amounts from each consumer (i.e., automatic debit, check, credit card payment, etc.); and
- f. Provide all supporting documentation for each consumer loan (loan agreements, correspondence, transaction records, etc.).

14. Identify all financial institutions and payment processors involved in processing loans and payments in, into, or from Vermont, on Mobiloans's behalf.

15. Identify and produce copies of all consumer complaints received by or relating to you, including, but not limited to, correspondence, notes and recordings of telephonic complaints.

16. Identify any litigation against or investigation of you by a government agency (state or federal) or a consumer or class of consumers since January 1, 2009.

a. For each litigation or investigation identified, provide all documents of the final resolution (i.e., any court judgment, order, or decree, or any settlement or consent decree).

17. State the name, address and position of all persons at Mobiloans who participated in responding to this Subpoena.

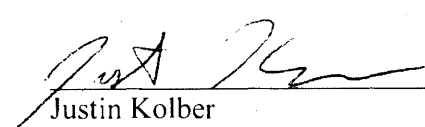
### STATUTORY PENALTIES

Any person who, with intent to avoid, evade, or prevent compliance, in whole or in part, with any civil investigation under 9 V.S.A. § 2460, removes from any place, conceals, withholds, or destroys, mutilates, alters, or by any other means falsifies any documentary material in the possession, custody or control of any person of any such notice, or mistakes or conceals information, shall be fined not more than \$25,000.00 pursuant to 9 V.S.A. § 2460. Failure to comply with the subpoena may result in an assessment of civil penalties and costs of enforcement.

DATED at Montpelier, Vermont this 28<sup>th</sup> day of February, 2014.

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By:

  
Justin Kolber  
Assistant Attorney General  
Office of the Attorney General  
109 State Street  
Montpelier, Vermont 05609  
802.828.5620

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL

In re: Mobiloans, LLC )

**CERTIFICATE OF COMPLIANCE**

I, \_\_\_\_\_, hereby certify that I have reviewed the responses to the Civil Investigative Subpoena dated \_\_\_\_\_, and that they are true and accurate to the best of my knowledge and belief. I further certify that all of the requested material within the possession, custody, or control of the person to whom said Subpoena is directed has been produced, except that for which a privilege has expressly been claimed.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

Subscribed to and sworn to before me at \_\_\_\_\_,  
\_\_\_\_\_,  
City State/Province  
this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN  
CHIEF ASST. ATTORNEY  
GENERAL



STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL  
109 STATE STREET  
MONTPELIER  
05609-1001

TEL: (802) 828-3171  
FAX: (802) 828-2154  
TTY: (802) 828-3665  
CIVIL RIGHTS: (802) 828-3657  
WEBPAGE: [www.atg.state.vt.us](http://www.atg.state.vt.us)

April 22, 2014

MTE Financial Services  
Affiliated with Moduc Tribal Enterprises

418 G SE,  
Miami, OK 74355

3531 P Street N.W.,  
Miami, OK 74355

PO Box 111,  
Miami, OK 74355

Via Fax: 1-800-416-1619; Certified Mail; and E-Mail:  
[customerservice@500fastcash.com](mailto:customerservice@500fastcash.com)

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe that **MTE Financial Services** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). If so, you are hereby advised to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support. Otherwise, you are instructed to comply with the below.

Unlicensed money lending (including payday lending<sup>1</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that “no person shall . . . engage in the business of making loans of money [or] credit” without “first obtaining a license from” the state Department of Financial Regulation (“DFR”). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending. *See* 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>2</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **MTE Financial Services** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made.”). *See also Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does not have any real property, employees, sales staff, or offices in Vermont; is not

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<sup>1</sup> *See* 8 V.S.A. § 2519(a)(13).

<sup>2</sup> *See West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); *see also Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).



registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: “[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, ‘it has clear notice that it is subject to [jurisdiction] there’....” (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292 (Pa. 2010) (out-of-state internet lender subject to Pennsylvania’s “licensing and regulatory restrictions”).

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,



Justin Kolber  
Assistant Attorney General

STATE OF VERMONT  
OFFICE OF ATTORNEY GENERAL

IN RE: MyPayDayLoan.com )

CIVIL INVESTIGATIVE SUBPOENA DUCES TECUM  
PURSUANT TO 9 V.S.A. § 2460

TO: MyPayDayLoan.com

123 Hamilton Avenue  
Farmington, CA 95230

In connection with the above investigation, and pursuant to 9 Vermont Statutes Annotated (V.S.A.) § 2460, as amended, you are required to provide responses under oath to the following questions, and to provide the following documents, all to the Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609, no later than ten days from the date this Subpoena is received.

This is a confidential proceeding pursuant to 9 V.S.A. § 2460(a). You are entitled to consult with a lawyer in connection with this Subpoena. You are encouraged to contact the undersigned Assistant Attorney General prior to responding.

**BASIS FOR ISSUING SUBPOENA**

The Attorney General has reason to believe that MyPayDayLoan.com has engaged in unfair and deceptive acts and practices in connection with unlicensed lending, in violation of the Vermont Consumer Protection Act, 9 V.S.A. ch. 63. The purpose of this subpoena is to identify all loan transactions involving Vermont consumers and the use of consumer information. A

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109 State Street  
Montpelier, VT  
05609

follow-up subpoena may be issued to investigate further activities in connection with such transactions.

### **INSTRUCTIONS AND DEFINITIONS**

A. **Documents.** You are required to produce the originals or legible photographic copies of all the documents described in this subpoena that are in your actual or constructive possession, custody or control. *Please produce all documents electronically, and Bates-stamp all documents, and refer to the stamp numbers in your responses, as appropriate.*

B. **Claims of privilege.** If any document called for by this subpoena is withheld under any claim of privilege, you are required to furnish a list identifying each document or portion of a document for which the privilege is claimed, together with the basis on which the privilege is claimed, and the paragraph or subparagraph of this subpoena to which the withheld document would respond.

C. **Lost, removed, destroyed, or altered documents.** If any document responsive to this subpoena has been lost, removed, destroyed or altered prior to the service of this subpoena, furnish, for each such document: (i) a description of the document to the extent known, and the last time and location that the document is known or believed to have existed; (ii) the date, sender, recipient and other persons to whom copies were sent, subject matter, present location, and location of any copies; and (iii) the identity of any person authorizing or participating in any removal, destruction or alteration; date of such loss, removal, destruction or alteration; and the method and circumstances of such removal, destruction or alteration.

D. **Certificate of Compliance.** Attached to this request is a Certificate of Compliance for you to sign, have notarized and return with your response.

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609



E. **Timeframe for response.** Unless otherwise specified, the timeframe covered by this Subpoena is from *January 1, 2012, through the present.*

F. **“You” and “your”** means MyPayDayLoan.com, any related “d/b/a’s”, and any company, person or program affiliated with one or more of those entities.

**QUESTIONS TO BE RESPONDED TO AND DOCUMENTS TO BE PRODUCED**

1. State your full name (including corporate name), address and telephone number.
2. Provide a complete list of all websites owned, controlled or operated, in whole or in part, by you.
3. State when you first began offering or making consumer loans:
  - a. Anywhere in the United States; and
  - b. In or into the State of Vermont.
4. Provide a complete list of every consumer in the State of Vermont to whom you have loaned any money since January 1, 2012, and, for each such consumer (*note: please set out all information other than the documents requested below, in separate fields in an Excel spreadsheet*):
  - a. Provide the consumer’s last name, first name, street addresses, city, state and zip code, and any other related contact or identifying information (i.e., any internal consumer identification number);
  - b. Provide the consumer’s bank information, including name, location, and the last four digits of any bank account number(s);
  - c. Provide the date, amount, term and interest rate of each loan;
  - d. Provide the amount collected by You (including all principal, fees, interest, and any other charges, each listed separately);

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05609


- e. State the method by which you collected the amounts from each consumer (i.e., automatic debit, check, credit card payment, etc.); and
  - f. Provide all supporting documentation for each consumer loan (loan agreements, correspondence, transaction records, etc.).
5. Identify all lead generators, aggregators, and any other third parties involved in marketing, soliciting, and advertising loans on your behalf.
6. If you purchased or obtained any customer list or list of borrower leads, identify all entities who sold or provided you such lists.
7. Identify all aggregators, debt collectors, or any other companies or persons who since January 1, 2012, have purchased, obtained or had access to your customer information, including contact information of borrowers or applicants.
8. For all such entities identified in question #6, describe how you sell, provide, or allow access to customer information, including contact information of borrowers or applicants, to such entity.
9. Identify all financial institutions and payment processors involved in processing loans and payments in, into, or from Vermont, or in connection to a Vermont resident or an individual with a Vermont address, on your behalf, excluding the consumer's bank(s).
10. State the name, address and position of all persons who participated in responding to this Subpoena.

**STATUTORY PENALTIES**

Any person who, with intent to avoid, evade, or prevent compliance, in whole or in part, with any civil investigation under 9 V.S.A. § 2460, removes from any place, conceals, withholds, or destroys, mutilates, alters, or by any other means falsifies any documentary material in the possession, custody or control of any person of any such notice, or mistakes or conceals information, shall be fined not more than \$25,000.00 pursuant to 9 V.S.A. § 2460. Failure to comply with the subpoena may result in an assessment of civil penalties and costs of enforcement.

DATED at Montpelier, Vermont this 7<sup>th</sup> day of October, 2016.

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By:   
Justin Kolber  
Assistant Attorney General  
Office of the Attorney General  
109 State Street  
Montpelier, Vermont 05609  
802.828.5620

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609



STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL

IN RE: MyPayDayLoan.com )

CERTIFICATE OF COMPLIANCE

I, \_\_\_\_\_, hereby certify that I have reviewed the responses to the Civil Investigative Subpoena dated \_\_\_\_\_, and that they are true and accurate to the best of my knowledge and belief. I further certify that all of the requested material within the possession, custody, or control of the person to whom said Subpoena is directed has been produced, except that for which a privilege has expressly been claimed.

\_\_\_\_\_  
Signature

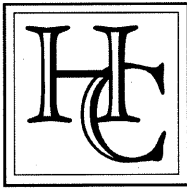
\_\_\_\_\_  
Title

Subscribed to and sworn to before me at \_\_\_\_\_, \_\_\_\_\_,  
City State/Province  
this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609



HUDSON COOK, LLP  
7250 PARKWAY DRIVE, 5<sup>TH</sup> FLOOR  
HANOVER, MARYLAND 21076  
Direct: (410) 865-5419  
Toll Free: (888) 422-7529  
Fax: (410) 684-2001  
cswears@hudco.com

## Vermont Licensed Lenders Act and the Model Tribal Code

The Model Tribal Consumer Lending Code authorizes a licensed tribal lender to make unsecured installment loans. Comparable loans in Vermont are made under the Vermont Licensed Lenders Act.

|                                  | <u>Vermont Licensed Lenders Act</u>   | <u>Model Tribal Code</u>  |
|----------------------------------|---|---|
| <b>Lender License</b>            | <ul style="list-style-type: none"><li>• Required.</li></ul>   | <ul style="list-style-type: none"><li>• Required.</li></ul>   |
| <b>Annual Interest Rates</b>     | <ul style="list-style-type: none"><li>• 18%, or a rate that varies depending on the loan amount.</li></ul>  | <ul style="list-style-type: none"><li>• As agreed to by the parties, subject to unconscionability.</li></ul>  |
| <b>Origination Fees</b>          | <ul style="list-style-type: none"><li>• Certain expressly authorized fees are permitted.</li></ul>  | <ul style="list-style-type: none"><li>• Prohibited.</li></ul>   |
| <b>Late Fees</b>                 | <ul style="list-style-type: none"><li>• The fee is not expressly authorized.</li></ul>  | <ul style="list-style-type: none"><li>• Permitted, as limited by the Model Tribal Code.</li></ul>   |
| <b>NSF Fees</b>                  | <ul style="list-style-type: none"><li>• The fee is not expressly authorized.</li></ul>  | <ul style="list-style-type: none"><li>• Permitted, as limited by the Model Tribal Code.</li></ul>   |
| <b>Maximum Loan Maturity</b>     | <ul style="list-style-type: none"><li>• None, but substantially equal monthly payments are required.</li></ul>  | <ul style="list-style-type: none"><li>• 48 months, and end-of-term balloon payments are prohibited.</li></ul>   |
| <b>Minimum Loan Maturity</b>     | <ul style="list-style-type: none"><li>• None.</li></ul>   | <ul style="list-style-type: none"><li>• 6 months.</li></ul>   |
| <b>Right to Rescind</b>          | <ul style="list-style-type: none"><li>• None.</li></ul>   | <ul style="list-style-type: none"><li>• Mandatory three business day rescission period for all loans.</li></ul>   |
| <b>Required Loan Disclosures</b> | <ul style="list-style-type: none"><li>• <i>Loan Terms</i> – The lender must disclose the interest rate fully and clearly to prevent misunderstanding. The lender must provide a full and accurate schedule of charges, and the method of computing the charges. The lender must clearly and distinctly disclose the loan amount, date, maturity, security, name and address of the parties,</li></ul> | <ul style="list-style-type: none"><li>• <i>Immunity and Borrower Rights Disclosure</i> – A lender must provide the following disclosure in the loan agreement:<br/>IMPORTANT DISCLOSURE: PLEASE READ THIS DISCLOSURE CAREFULLY BEFORE SIGNING THIS LOAN AGREEMENT. THE LENDER IS AN ARM OF THE FEDERALLY RECOGNIZED INDIAN TRIBE OF _____ (“TRIBE”), IT IS A COMMERCIAL ENTITY FORMED</li></ul> |



and rate of charge. In addition, if a co-signer is to be legally bound on a note, a specific co-signer notice is required.

PURSUANT TO TRIBAL LAW, IT IS OWNED AND OPERATED BY THE TRIBE AND IT FUNCTIONS AS A FOR-PROFIT COMMERCIAL ENTITY OF THE TRIBE, FORMED FOR THE EXPRESS PURPOSE OF ECONOMIC DEVELOPMENT. BOTH THE LENDER AND THE TRIBE ARE IMMUNE FROM SUIT IN ANY COURT UNLESS THE TRIBE, THROUGH ITS TRIBAL COUNCIL, EXPRESSLY WAIVES THAT IMMUNITY THROUGH A FORMAL, WRITTEN RESOLUTION OF THE TRIBE'S TRIBAL COUNCIL. THE LENDER IS REGULATED BY THE TRIBE'S CONSUMER FINANCIAL SERVICES REGULATORY AUTHORITY. YOUR RIGHT TO SUBMIT COMPLAINTS IS LIMITED TO THE DISPUTE RESOLUTION PROCESS SET FORTH IN THE LOAN AGREEMENT AND TO THE TRIBAL REGULATORY AUTHORITY IN ACCORDANCE WITH THE TRIBE'S CONSUMER LENDING CODE AND THE ACCOMPANYING REGULATIONS, IF ANY. YOU AGREE THAT THIS LOAN IS MADE WITHIN THE TRIBE'S JURISDICTION AND IS SUBJECT TO AND GOVERNED BY TRIBAL LAW AND NOT THE LAW OF YOUR RESIDENT STATE. IN MAKING THIS LOAN, YOU CONSENT TO TRIBAL JURISDICTION FOR THIS COMMERCIAL TRANSACTION. YOUR RESIDENT STATE LAW MAY HAVE INTEREST RATE LIMITS AND OTHER CONSUMER PROTECTION PROVISIONS THAT ARE MORE FAVORABLE. PLEASE CONSIDER TAKING A LOAN FROM A LENDER IN YOUR STATE IF YOU WISH TO HAVE YOUR RESIDENT STATE LAW APPLY TO ANY LOAN THAT YOU NEGOTIATE. IN ANY EVENT, YOU SHOULD CAREFULLY EVALUATE YOUR FINANCIAL OPTIONS BEFORE TAKING OUT A LOAN. THIS LOAN HAS A HIGH INTEREST RATE AND IT

IS NOT INTENDED TO PROVIDE A SOLUTION FOR LONGER TERM CREDIT OR OTHER FINANCIAL NEEDS. ALTERNATIVE FORMS OF CREDIT MAY BE LESS EXPENSIVE AND MORE SUITABLE FOR YOUR FINANCIAL NEEDS. PLEASE CONSIDER YOUR ABILITY TO REPAY THE LOAN AND IF YOU ARE HAVING FINANCIAL DIFFICULTIES, YOU SHOULD SEEK THE ASSISTANCE OF FINANCIAL COUNSELORS. BEFORE SIGNING THIS LOAN AGREEMENT, PLEASE CAREFULLY READ ITS TERMS. YOUR SIGNATURE AND APPROVAL OF THIS LOAN WILL BE DEEMED AS PROOF THAT YOU HAVE READ THE LOAN AGREEMENT, YOU HAVE APPROVED OF ALL OF ITS TERMS, INCLUDING CONSENTING TO TRIBAL JURISDICTION, YOU HAVE PROVIDED THE LENDER WITH THE MOST CURRENT AND ACCURATE EMPLOYMENT, CREDIT, INCOME, AND ASSET HISTORY REQUIRED FOR LENDER TO ACCURATELY DETERMINE YOUR ABILITY TO REPAY THE LOAN, AND AFFIRMATIVELY ACKNOWLEDGE THAT YOU ARE ABLE TO REPAY THE LOAN ACCORDING TO THE TERMS OF THE LOAN AGREEMENT.

- *Rescission Notice* – A lender must provide the following rescission disclosure in the loan agreement: YOU HAVE THE RIGHT TO RESCIND THIS TRANSACTION BY 5 P.M. ON THE THIRD BUSINESS DAY FOLLOWING THIS TRANSACTION. SHOULD YOU TIMELY RESCIND THIS TRANSACTION, YOU SHALL IMMEDIATELY REPAY THE FULL AMOUNT OF THE LOAN PRINCIPAL DEPOSITED INTO YOUR BANK ACCOUNT, ANY PREASSESSED FEE SHALL NOT BE DEEMED SECURITY FOR THE TRANSACTION AND SHALL BE RETURNED TO YOUR ACCOUNT WITHIN THREE (3) BUSINESS DAYS OF SUCH RECISSION, AND YOU WILL

NOT BE ASSESSED ANY FEES OR  
COSTS OTHERWISE SET FORTH IN  
THE LOAN AGREEMENT.

# SELF-RELIANCE:

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THE FACTS OF TRIBAL E-COMMERCE  
VIA ONLINE LENDING

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# LETTER FROM THE DIRECTOR



Dear Reader,

Greetings! I am writing this letter to share some exciting news about tribal governments in the United States who are participating in innovative e-commerce initiatives. For tribal governments with isolated geographic locations that are not conducive to gaming or other land-based ventures, e-commerce in the form of tribal financial services provides a much-needed economic opportunity for a number of rural and economically-depressed areas. Further, tribes cannot rely on treaty promised federal assistance due to the dwindling federal dollar.

As more tribes became involved in these innovative activities over the past few years, they came together to share best practices and regulatory models. The Native American Financial Services Association (NAFSA) is an association of federally-recognized tribal governments who offer a range of online lending services. NAFSA was formed in 2012 to advocate for and protect tribal sovereignty and support tribes who choose to offer responsible online lending products. NAFSA provides vital services to tribal governments serving the under-banked with better short term financial services, while furthering economic development opportunities across Indian Country.

As you can see from the enclosed information materials about the tribal financial services industry, our tribal government members use lending revenues in much the same way that many tribal governments utilize gaming revenues: to support robust nation building efforts and support tribal community projects. Tribal e-commerce has provided a critical lifeline for many tribes and we look forward to spreading the good news about these innovations as NAFSA continues to grow.

If you have any questions about NAFSA, the tribal financial services model or online lending, please visit our website at [www.mynafsa.org](http://www.mynafsa.org) or contact me directly at [bwbrandon@me.com](mailto:bwbrandon@me.com).

Sincerely,



**Barry Brandon**

*Executive Director*

*Native American Financial Services Association*



# WHO IS NAFSA

The Native American Financial Services Association (NAFSA) formed in 2012 to protect and advocate for Native American sovereign rights and enable tribes to offer responsible online lending products. Through the protection of consumer rights and tribal sovereignty, NAFSA provides vital services to tribal governments serving the underbanked with better short term financial services, furthering economic development opportunities in Indian Country.

We remain hopeful that the Federal government, regulators, and the electorate will join with us to help safeguard the solemn right of Native American people to protect our culture and livelihood. We are hopeful that these audiences will join us in opposing any actions that will impede Native Americans from protecting our rights of self-determination to the fullest extent of the law. Finally, we are hopeful that working together, we can provide much-needed economic opportunity and development to Indian Country for the benefit of our tribal communities.

## NAFSA BEST PRACTICES

NAFSA members believe the Associations' Best Practices set an industry standard for sovereign nations within the lending industry and the businesses they work with.

## NAFSA LENDING BEST PRACTICES

The following Lending Best Practices outline the requirements NAFSA members must follow when creating and servicing consumer products. Because of these Best Practices, consumers can trust NAFSA members to honor their rights, protect their privacy, treat them fairly and constantly strive to offer them innovative alternative financial products. A tribal financial service company must:

- Operate as a legitimate tribal business; owned and operated by, and benefiting a federally-recognized sovereign nation.
- Ensure all consumers are afforded the same protections by following the principles detailed in federal financial services laws to the extent that they are applicable and honor tribal sovereignty. Laws to be used as guidance are:
  - o Truth in Lending Act: United States federal law aimed at promoting the informed use of consumer credit, requiring standardized terms and cost disclosure and other regulations that emphasize and protect consumer rights.
  - o Military Lending Act: United States federal law that limits the way short term loans, vehicle title loans and refund anticipation loans can be offered to military personnel and their families.
  - o Equal Credit Opportunity Act: United States federal law that makes it unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction, on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to contract); on the basis that all or part of the applicant's income derives from a public assistance program; or on the basis that the applicant has in good faith exercised any right under the Consumer Credit Protection Act.
  - o Fair and Accurate Credit Transactions Act of 2003: United States federal law requiring the secure disposal of consumer information. Additionally, it allows consumers to request and obtain a free credit report once every 12 month and includes other provisions to protect against identity theft.
  - o Fair Debt Collection Practices Act: United States federal law with the goal of eliminating abusive debt collection. The Act created guidelines for debt collectors and specifies the rights of consumers repaying debt.
  - o Electronic Fund Transfer Act: United States federal law that established the rights and liabilities of consumers and the responsibilities of the all parties in electronic funds transfer activities.
  - o Gramm-Leach-Bliley Act: United States federal law that includes the Financial Privacy Rule governing the collection and disclosure of consumers' personal financial information and the Safeguards Rule requiring all financial institutions maintain safeguards to protect consumer information.
  - o Federal Trade Commission Act: United States federal law whose principal mission is the promotion of consumer protection and the elimination and prevention of what regulators perceive to be anti-competitive business practices.

- Meet or exceed the minimum standards for tribal and federal employment rights.
- Demonstrate the positive economic development impact tribal financial service providers can have on sovereign nations through social giving, education, employment and increased opportunity, both on and off reservation lands.
- Promote financial literacy tools and resources for consumers when possible.
- Constantly work with consumer advocates to provide the highest quality product to the American public.
- Always treat consumers with respect. Never garnish wages or engage in abusive collection practices.

## OPERATIONAL BEST PRACTICES

The following Best Practices outline the requirements NAFSA members must follow when forming tribal lending companies, including the operative documents to be completed. When carrying out the steps listed below, the tribal legislative body should adopt tribal ordinances, statutes, and/or resolutions pursuant to their respective Tribal Constitutions or other governing tribal laws to ensure the lending business is operating as an "arm of the tribe."

### FORMING A TRIBAL LENDING COMPANY:

- Draft a business entity creation code (e.g., LLC code or corporation code) through which tribal business entities can be formed pursuant to tribal law.
- Adopt or issue a tribal ordinance, statute, or regulation enacting the Business Entity Code pursuant to tribal law.
- If a tribal corporation is to be formed:
  - o Choose an available business name that complies with the business entity code.
  - o Submit the Articles of Incorporation to the tribal legislative body pursuant to the Business Entity Code along with any application fees.
  - o Adopt or issue a tribal ordinance, statute, or regulation approving the Articles of Incorporation.
  - o Draft Corporate Bylaws and submit them to the tribal legislative body pursuant to the business entity code.
  - o Adopt or issue a tribal ordinance, statute, or regulation approving the Corporate Bylaws.
- If a tribal LLC is to be formed:
  - o Choose an available business name that complies with the business entity code.
  - o Submit the Articles of Organization to the tribal legislative body pursuant to the Business Entity Code along with any application fees.
  - o Adopt or issue a tribal ordinance, statute, or regulation approving Articles of Organization.
  - o Draft an LLC Operating Agreement and submit it to the tribal legislative body pursuant to the business entity code.
  - o Adopt or issue a tribal ordinance, statute, or regulation approving the LLC Operating Agreement.
- Draft an ordinance or statute establishing a Regulatory Agency for the purpose of regulating all financial service operations within the tribe's jurisdiction.
- Adopt or issue a tribal ordinance, statute, or regulation enacting the Regulatory Agency pursuant to tribal law.
- Obtain a lending license pursuant to the Regulatory Agency's licensing requirements.

The research speaks for itself. Sovereign nations need more economic development opportunity and Americans need better alternative financial solutions.



# UNDERSTANDING OUR CUSTOMERS

## DEFINITION: THE SHORT-TERM, SMALL-DOLLAR CREDIT MARKET

These loans can be defined as small personal loans secured by direct access to the borrower's bank account. In general, these loans range in size from \$100 to \$1000, and the average loan term is about two weeks. The cost of the loan can vary from \$10 to \$25 per \$100 borrowed. The loan borrower must be employed, provide personal identification and have a checking account.

## UNDERSTANDING THE ONLINE CONSUMER

The primary difference between non-prime consumers and prime consumers is not annual income. Rather, it is their financial fragility. Non-prime consumers have little or no capacity to weather an emergency or other destabilizing event. These consumers live very strategically and often live "in the now." When urgent problems arise (e.g. car repair, unexpected medical expense) they must be addressed immediately.

Non-prime consumers are not just the "poorer cousins" of prime consumers, they are categorically different.

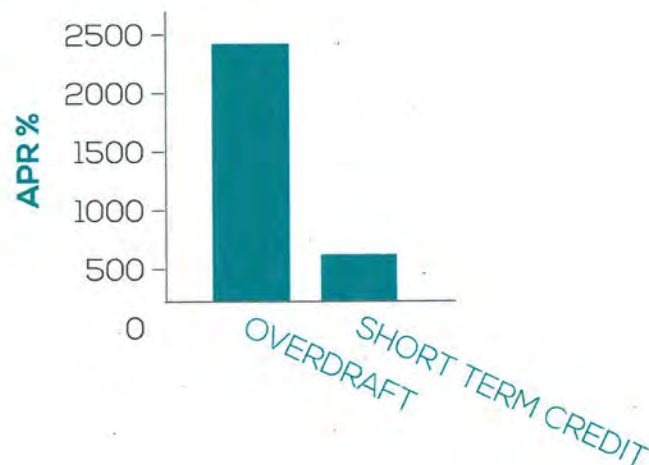
## A LESS COSTLY ALTERNATIVE TO OVERDRAFT PROTECTION

Consider this scenario: a consumer, starting with an account balance of \$0, makes five debits of \$40 each over a period of 14 days. In total, the consumer borrows \$200 over 14 days. The Woodstock Institute survey of overdraft protection plans at the seven largest Chicago banks found the Effective APR for a \$200, 14-day Bounced Check Loan averaged over 2,400 percent (Westrich and Bush, 2004).

| MEDIAN CHARGE FOR OVERDRAWN ACCOUNT OF \$40* |      |
|--|------|
| Bank   | \$30 |
| Credit Union                                 | \$27 |
| Payday Lender                                | \$16 |

\* Moebs Services Surveys, www.moebs.com

## OVERDRAFT VS. SHORT-TERM CREDIT: APR % DIFFERENCES



## RATE OF SHORT-TERM CREDIT USE IS LOW

### PAST 5 YEARS: US

Only five percent of the general adult population living in the United States has taken out a short term loan in the past five years.

### PAST YEAR: US

The 2007 Survey of Consumer Financials, a triennial study sponsored by the Federal Reserve Board in Cooperation with the DOT reported that 2.4 percent of families surveyed had taken out a loan in the previous year.

### EVER: CANADA

Alberta Government Study in 2009 found that approximately 3% of the citizens of that province used short term loans. Another study, by Leger Marketing in December 2008, estimated that six percent of the general population used short term loans, based on a sample size of 900.

## WHAT OTHER TYPES OF FIRMS ARE SERVING NON-PRIME BORROWERS?

- Pawn shops
- Check overdraft protection
- Sale/leaseback contracts
- Title loan companies
- Loan sharks
- Friends and relatives



# UNDERSTANDING ONLINE LENDING

## STRATEGIC CONSUMER CHOICE

Sheila Bair, now head of the Federal Deposit Insurance Corporation (FDIC), observed that the “enormous” fees earned on bounced protection programs discouraged credit unions and banks from offering more affordable forms of unsecured short term credit. She warned that customers were “catching on” and turning to payday credit for their “cheaper product.”

*(Bair, Sheila, Presentation at the Federal Reserve Bank of Chicago Bank Structure Conference, 2005.)*

Learn more: [http://www.chicagofed.org/digital\\_assets/others/events/2005/promises\\_and\\_pitfalls/presentation\\_blair.pdf](http://www.chicagofed.org/digital_assets/others/events/2005/promises_and_pitfalls/presentation_blair.pdf)



Sheila Bair | John F. Kennedy Library Foundation

## STOREFRONT VS. ONLINE LENDING

### STOREFRONT LOANS

- 25% of customers employed
- \$26K average annual income
- Targeted and discriminatory in site selection
- No cooling off period
- Difficult to track all borrowing activity
- Consumer data not subject to strict safeguards (i.e. dumpster lawsuit)

### ONLINE LENDING SERVICES

- 100% of customers employed
- \$51K average annual income
- Completely neutral to relationships or customer profiling
- De facto 72-hour cooling off period in order to determine that ACH is returned
- Due diligence required
- Consumer privacy protected online







# HELPING OUR PEOPLE

## A PROFILE OF THE OTOE-MISSOURIA TRIBE



### BACKGROUND

The Otoe-Missouria Tribe is a Red Rock, Oklahoma-based Native American tribe with nearly 3,000 members. The Tribe faces the unfortunate and all-too-common struggles plaguing Indian country today: staggering unemployment rates, limited opportunities and lack of access to fundamental resources. In an increasingly competitive gaming environment (in which competitors have opened casinos in close proximities), The Tribe continues to feel the seemingly insurmountable pressures of finding ways to relieve gaming operations of the disproportionate burden of providing for tribal members.

### INTERNET COMMERCE INITIATIVES: PROVIDING FOR OUR PEOPLE

In 2009, the Otoe-Missouria Tribe took a giant leap in developing economic opportunities for The Tribe and its members: establishing itself in the Internet commerce arena. Internet commerce has been an invaluable vehicle for economic growth, tribal services and tribal development. Internet commerce's potential impact on tribal growth and opportunity is immeasurable. Its effects have already proven tremendously critical for tribal advancement and financial assistance.

### HOW INTERNET COMMERCE IMPACTS THE OTOE-MISSOURIA TRIBE

|                  |  |
|------------------|--|
| REVENUE:         | Within in the first six months of 2013, Great Plains Lending earned \$4.1 M with \$10 M in revenue to date;  |
| BUDGET:          | Internet commerce accounts for 28% of Otoe-Missouria's non-federal tribal budget; Tribal operations covers all of the necessary personnel to administer the tribal government;   |
| EMPLOYMENT:      | Sixty five jobs have been created on tribal land, including financial support staff, Head Start educators, and tribal housing personnel;   |
| INFRASTRUCTURE:  | The tribal economic budget is now covered by revenues generated from the e-commerce and online financial services businesses owned by the tribe; This accounts for 67% of the budget; It helps provide critical funding for new tribal housing and renovation;   |
| EDUCATION:       | 76% of tribal education is covered by e-commerce, including: additional classrooms, books, and teachers for Head Start, new after-school program, and a new summer youth program;  |
| TRIBAL SERVICES: | Child care services, employment training, natural resources development, financial assistance, utility assistance, emergency assistance, and the Tribal Elders program which provides various nutritional, health, wellness, social and cultural activities to elders; 48% of the tribal budget comes from e-commerce to support health and wellness coverage; |
| SOCIAL SERVICES: | A large portion of the budget is directed towards helping those in economic need, child protection, low- income home energy assistance program, family violence protection.  |

### INTERNET COMMERCE AND THE FUTURE

Otoe-Missouria Internet commerce initiatives do not just support basic, fundamental needs for tribal operations and services. They extend the opportunity for The Tribe to move beyond the bottom line of economic footing. Internet commerce gives The Tribe hope to depart from struggles of survival to the pathways of legitimate possibilities for economic prosperity and success.







# HELPING OUR PEOPLE

## A PROFILE OF THE CHIPPEWA CREE TRIBE



### BACKGROUND

The Chippewa Cree Tribe of Montana is a federally recognized Native American tribe with about 6,000 members. The Rocky Boy Reservation is continuously overwhelmed by high unemployment rates, limited opportunities and limited access to essential resources. While some tribes have exponentially benefited from the gaming industry, the remote location of the Rocky Boy's Reservation in north central Montana obstructs economic development through gaming.

### INTERNET COMMERCE INITIATIVES: PROVIDING FOR OUR PEOPLE

The Chippewa Cree Tribe began making their own opportunities in 2011 when they launched their installment loan product Plain Green, LLC. Through Internet commerce the Chippewa Cree have provided the members of their tribe countless opportunities including: jobs, tribal services, development and economic growth. The effects are widespread and have proven critical for tribal advancement.

### HOW INTERNET COMMERCE IMPACTS THE CHIPPEWA CREE TRIBE

|                         |  |
|-------------------------|--|
| <b>Revenue:</b>         | Within the first six months of 2013, Plain Green Loans, LLC earned \$7.4 M and \$24 M in revenue since inception, contributing significantly to the tribes operating budget.   |
| <b>Budget:</b>          | Tribal annual budgets with grants, contracts, and compact funding; as well as Plain Green's monthly distribution to the tribe, which has brought in over \$4.2 million. This year Plain Green has contributed \$3 million to the tribal budget.  |
| <b>Employment:</b>      | Plain Green currently has 20 employees, working in both the administration offices and the call center; Plain Green plans to train and hire 10 more representatives in late September to help fill the vacant seats in the call center; also provided critical funding to put more than 350 tribal members to work (Jobs Bill).  |
| <b>Social Services:</b> | Plain Green donates to its community, assistance to elders, and help with family medical costs, and hosts an annual youth basketball tournament to raise money for the Head Start program; Plain Green has proudly donated money to the tribe's local Food Bank to help feed those families that are less fortunate; Plain Green helps cover the operational costs for the Tribal Wellness Center on a monthly basis; Contributions to various youth and childcare programs totaled \$8,650 this year; Plain Green also contributed to the Rocky Boy Health Board in the areas of Medicare and Medical Travel, totaling \$132,500 in 2013 alone. |
| <b>Infrastructure:</b>  | Plain Green is in the process of renovating a section of its office to create new space to expand employment opportunities this includes a new call center; additionally, provided funding to help with costs of the new Chippewa Cree Health Center, as well as the construction for the remodeling of the tribe's Northern Winz Casino.  |
| <b>Education:</b>       | Plain Green annually contributes \$25,000 to the Stone Child College scholarship fund, and this year it donated \$50,000 to Stone Child College. It also supports high school seniors by offering an essay competition worth \$500. Additionally, Plain Green is working closely with EverFi to implement a new financial literacy program at Box Elder High School.   |
| <b>Tribal Services:</b> | Plain Green offers call center training programs with help from the local tribal college; provided \$81,000 in financial assistance to tribally enrolled senior citizens for expenses associated with the tribe's annual celebration time, so they can enjoy family time without stressing over the cost; assists with both family medical and funeral costs; provided \$15,290 in funding to purchase a drug dog for Rocky Boy's Police Department during the "Tribe's War on Drugs Initiative."  |

### INTERNET COMMERCE AND THE FUTURE

Internet commerce initiatives do more than just support the basic needs of the Chippewa Cree Tribe - they give The Tribe a chance to move beyond fundamental needs for tribal operations and services. For the Chippewa Cree, Internet commerce is a legitimate opportunity for economic prosperity. Ultimately, The Tribe hopes these initiatives will provide widespread employment for the Chippewa Cree people so they may become more financially stable and proud of the work they do to provide for their families.

# TRIBAL INNOVATION

NAFSA member tribes are dedicated to bringing underserved consumers innovative products that are up to 50% less than a traditional payday loan. Using innovative technology, our members are working to decrease the cost of short-term lending in a way that is both convenient and compliant with Federal regulations.

## CHIPPEWA CREE TRIBE

The Chippewa Cree Tribe is just one examples of this; they own and operate Plain Green Lending. Plain Green is an installment loan product that offers customers between \$250 and \$1000 on their first loan, and that's just for starters. As they develop a successful payment history they can qualify for higher loan amounts, and with every increased loan amount their rate decreases. Not to mention there are no origination or prepayment fees, and customers only pay simple interest for as long as they keep their loan. The flexibility of a Plain Green installment loan gives customers more payment options while reducing the potential for a cycle of debt.

Plain Green wants help their customers move back to mainstream credit. This is why they've invested in a new financial education tool for all Plain Green customers, Financial U. This FREE online learning center features videos and tools designed to help customers understand basic financial concepts and practice healthy spending habits. Customers love that Plain Green is online, fast, and secure. In fact, their customer satisfaction rate is nearly 90 percent!

## OTOE-MISSOURIA TRIBE

The Otoe-Missouria Tribe is another innovator in the space with their product, Great Plains Lending. Great Plains is also an installment loan product that is committed to providing convenient, no-hassle, short-term loans. Great Plains Lending, LLC operates within the boundaries of the Otoe-Missouria Reservation.

At Great Plains, customers can get from \$100 to \$1,000 with their very first loan and even more on subsequent loans. Great Plains loans are divided into affordable installment payments, and depending on the loan amount, the loan terms range from 4 to 15 months with no prepayment fee. Customers may become eligible for larger future loans at lower rates, as they build a successful payment history.

Customer satisfaction is important to Great Plains — which is probably why approximately 90 percent of Great Plains customers report that they are "Satisfied" and more than 40 percent report that they are "Extremely Satisfied."

In this economy access to credit can be limited. In fact, 36 percent of customers would have no means of getting emergency cash they need without a Great Plains installment loan. Great Plains is looking to improve this number in their customers with Financial U. By offering this free financial education product to all of their customers they hope to see a migration to less expensive forms of credit.



WHAT PEOPLE ARE SAYING ABOUT TRIBAL ONLINE LENDING:

“ I have used you several times in the past when money is tight. You always provide me the opportunity to pay my loan off quickly and reduce costs. Yes, the interest is high but when your credit score is low, the risk is also high. I am very pleased with the service I get.

Catherine K. Pratt, California



“ Your staff and support is great. I had a little hard time at the beginning but they worked with me like I was a family - no hassle at all. Things happen in our life and your staff understands and works with customers. Great! Yes! I will recommend you to my family, friends and co-workers.

Walter C. Imani, Florida



# SOVEREIGN NATION ONLINE LENDING:

MYTH VS. FACT





## SOVEREIGNTY: UNDERSTANDING THE DIFFERENCE BETWEEN NAFSA TRIBAL LENDERS AND INDIVIDUALLY-OWNED WESTERN SKY

In recent years, American Indian Tribal governments have developed successful Internet commerce strategies as a cornerstone of Tribal government self-reliance. Tribal governments have the authority to engage in Internet business ventures, most notably online short-term lending, due to their standing as sovereign nations. Especially important to Tribes is the ability to raise critical revenue with the support of the federal government, which has a Congressional mandate and Executive Order encouraging tribal nation building and economic development.

Tribal citizens, like many Americans, are becoming Internet innovators, starting businesses where proximity to a major population center is irrelevant. The tribes represented by the Native American Financial Services Association (NAFSA) have found online financial services to be a geographically-neutral alternative. We represent member tribes in six states which are operating by the letter and spirit of their inherent sovereignty.

While federally-recognized Tribal governments have the inherent authority to engage in Internet commerce as sovereign nations, tribal sovereignty does not extend to individual tribal members. This is a fundamental difference between the tribal lenders we represent and the better-known Western Sky.

Western Sky Financial, which is not a member of NAFSA, is an Internet lending company owned by an individual tribal member in South Dakota, is not protected by tribal sovereignty simply by virtue of membership in a tribe. The company's heavy investment in television advertising and the intense legal scrutiny directed at Western Sky Financial has elevated this brand into the mainstream and confused consumers and policymakers about the proper guidelines and boundaries of tribal sovereignty. A chart on the following page details the important foundational differences between the legal Internet commerce activities engaged in by the Tribal governments who are members of NAFSA and those of the well-known individually-owned business, Western Sky.

### TRIBAL GOVERNMENT OWNERSHIP

Tribal governments have inherent sovereignty which derives from their status as pre-constitutional and extra-constitutional governments, recognized in the US Constitution and centuries of case law.



### NAFSA TRIBES: SOVEREIGN NATIONS

|  |   |
|--|---|
| The Tribal lending business is formed pursuant to Tribal law.              | All NAFSA Tribes formed lending enterprises pursuant to their own Tribal laws.  |
| The Tribe is the sole owner and operator of the lending business.          | Each NAFSA Tribal Government owns and operates 100% of their lending enterprise.  |
| The Tribal business generates governmental, not individual revenues.       | Because NAFSA Tribal entities are owned 100% by the Tribal Government, the revenues from the business go directly to the tribal government.   |
| The revenues of the Tribal business directly benefit the Tribal community. | NAFSA Tribes' enterprises contribute directly towards Tribal economic development and Tribal governmental services. Revenues from lending operations often exceed 25% of a Tribal government's budget. Lending operations have become the lifeline for tribal self-reliance.      |
| Compliant with all applicable Federal Laws.                                | NAFSA Tribes conduct business with a strict adherence to Tribal laws as well as voluntary compliance with all applicable Federal laws.  |
| Regulated by Tribal Government Authorities.                                | NAFSA Tribes establish their own regulatory authorities to oversee tribal businesses. According to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Tribes enjoy the same legal standing as States and act as co-regulators with the US Federal Government. |
| Adheres to Industry Best Practices.  | NAFSA Tribes believe in collective accountability. The tribal online lending industry has issued stringent Best Practices to retain membership.   |

### WESTERN SKY FINANCIAL: PRIVATE COMPANY

|   |   |
|---|---|
| The lending business is NOT formed pursuant to Tribal law.            | Western Sky is formed pursuant to South Dakota state law, not Tribal law.   |
| The Tribe is NOT the sole owner and operator of the lending business. | Western Sky is owned and operated by an individual Tribal member, not the Tribe or Tribal Government.   |
| The business does NOT generate governmental, only individual revenue. | Western Sky's business profits benefit an individual tribal member, Martin "Butch" Webb, personally and do not benefit The Tribe.   |
| The revenues of the business do NOT directly benefit The Tribe.       | The private company provides no assistance to the Tribal government and does not fund any public services.  |
| NOT compliant with all applicable Federal Laws.                       | Western Sky attempts to evade federal and state regulation by wrongly claiming sovereign immunity.  |
| NOT regulated by Tribal Government Authorities.                       | Western Sky is not formed pursuant to Tribal law under the authority of a tribal regulatory authority and therefore improperly portrays itself to be outside the scope of all regulatory authority. |
| Does NOT adhere to Industry Best Practices.                           | Western Sky's Butch Webb answers only to himself and is not part of any reputable industry.   |

WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN  
CHIEF ASST. ATTORNEY  
GENERAL



STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL  
109 STATE STREET  
MONTPELIER  
05609-1001

TEL: (802) 828-3171  
FAX: (802) 828-2154  
TTY: (802) 828-3665  
CIVIL RIGHTS: (802) 828-3657  
WEBPAGE: [www.atg.state.vt.us](http://www.atg.state.vt.us)

April 22, 2014

National Pay Day Loan  
d/b/a Tribal Lending Enterprise  
P.O. Box 332  
Talmage, CA 95481

Via Fax: 1-866-513-0374; and Certified Mail

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe that **National Pay Day Loan** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). If so, you are hereby advised to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support. Otherwise, you are instructed to comply with the below.

Unlicensed money lending (including payday lending<sup>1</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that "no person shall . . . engage in the business of making loans of money [or] credit" without "first obtaining a license from" the state Department of Financial Regulation ("DFR"). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending.

---

<sup>1</sup> See 8 V.S.A. § 2519(a)(13).



See 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>2</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **National Pay Day Loan** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made.”). See also *Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does not have any real property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: “[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, ‘it has clear notice that it is subject to [jurisdiction] there’....” (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282,

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<sup>2</sup> See *West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); see also *Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).

292 (Pa. 2010) (out-of-state internet lender subject to Pennsylvania's "licensing and regulatory restrictions").

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Justin Kolber".

Justin Kolber  
Assistant Attorney General

WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN  
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April 22, 2014

**Red Rock Tribal Lending, LLC**  
d/b/a Castlepayday.com

P.O. Box 704  
Watersmeet, MI 49969

P.O. Box 249  
Pow Wow Trail  
Watersmeet, MI 49969

Via Fax: (888) 269-3526; Certified Mail; and E-Mail: [support@castlepayday.com](mailto:support@castlepayday.com)

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe that **Castlepayday.com** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). Our position is that any such loans would violate Vermont law, and we would immediately require you to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support.

We understand that **Castlepayday.com** may be owned, in part or whole, by a federally-recognized Indian tribe.<sup>1</sup> If this is so, please provide support, and we would be glad to discuss the below letter and its contents with you. At this time, however, our position is that **Castlepayday.com** must comply with the below.

Unlicensed money lending (including payday lending<sup>2</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that “no person shall . . . engage in the business of making loans of money [or] credit” without “first obtaining a license from” the state Department of Financial Regulation (“DFR”). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending. *See* 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>3</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

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<sup>1</sup> Red Rock Tribal Lending, LLC, affiliated with the Lac Vieux Desert Band of Lake Superior Chippewa Indians.

<sup>2</sup> *See* 8 V.S.A. § 2519(a)(13).

<sup>3</sup> *See West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); *see also Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).

Please note that Vermont's laws apply regardless of whether **Castlepayday.com** has no physical presence in Vermont. 8 V.S.A. § 2233(b) ("A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made."). See also *Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that "does not have any real property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications") (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: "[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, 'it has clear notice that it is subject to [jurisdiction] there'...." (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F.3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292 (Pa. 2010) (out-of-state internet lender subject to Pennsylvania's "licensing and regulatory restrictions").

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,



Justin Kolber  
Assistant Attorney General

**STATE OF VERMONT  
OFFICE OF ATTORNEY GENERAL**

IN RE: Seaside Dollar, LDC            )

**CIVIL INVESTIGATIVE SUBPOENA DUCES TECUM  
PURSUANT TO 9 V.S.A. § 2460**

**TO: Seaside Dollar, LDC  
PO Box 2391  
Minneapolis, MN 55402-0391**

In connection with the above investigation, and pursuant to 9 Vermont Statutes Annotated (V.S.A.) § 2460, as amended, you are required to provide responses under oath to the following questions, and to provide the following documents, all to the Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609, no later than ten days from the date this Subpoena is received.

This is a confidential proceeding pursuant to 9 V.S.A. § 2460(a). You are entitled to consult with a lawyer in connection with this Subpoena. You are encouraged to contact the undersigned Assistant Attorney General prior to responding.

**BASIS FOR ISSUING SUBPOENA**

The Attorney General has reason to believe that Seaside Dollar has engaged in unfair and deceptive acts and practices in connection with unlicensed lending, in violation of the Vermont Consumer Protection Act, 9 V.S.A. ch. 63. It is a violation of the Act for a lender to: (i) make loans in Vermont without a license under 8 V.S.A. §§ 2201 & 2233(b); and (ii) charge interest rates above the legal limits set forth in 9 V.S.A. § 41a.

**INSTRUCTIONS**

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

A. **Form of response.** In responding to each question, please reproduce the question before the answer provided in response. In responding to requests for document production, please state which documents are responsive to which request, and reference Bates numbers.

B. **Documents.** You are required to produce the originals or legible photographic copies of all the documents described in this subpoena that are in your actual or constructive possession, custody or control. *Please produce all documents electronically, and Bates-stamp all documents, and refer to the stamp numbers in your responses, as appropriate.*

C. **Claims of privilege.** If any document called for by this subpoena is withheld under any claim of privilege, you are required to furnish a list identifying each document or portion of a document for which the privilege is claimed, together with the basis on which the privilege is claimed, and the paragraph or subparagraph of this subpoena to which the withheld document would respond.

D. **Lost, removed, destroyed, or altered documents.** If any document responsive to this subpoena has been lost, removed, destroyed or altered prior to the service of this subpoena, furnish, for each such document: (i) a description of the document to the extent known, and the last time and location that the document is known or believed to have existed; (ii) the date, sender, recipient and other persons to whom copies were sent, subject matter, present location, and location of any copies; and (iii) the identity of any person authorizing or participating in any removal, destruction or alteration; date of such loss, removal, destruction or alteration; and the method and circumstances of such removal, destruction or alteration.

E. **Certificate of Compliance.** Attached to this request is a Certificate of Compliance for you to sign, have notarized and return with your response.

F. **Timeframe for response.** Unless otherwise specified, the timeframe covered by this Subpoena is from *January 1, 2009, through the present.*

### **DEFINITIONS**

A. **“Document”** includes, without limitation, any written, printed or graphic matter of any kind, including writings, drawings, graphs, charts, calendars, photographs, sound recordings, images; and any electronic data transmission or compilation.

**“Document”** includes copies if the copy bears any other marking or notation of any kind, and each such document shall include all attachments, enclosures, appendices, exhibits, and drafts of each such document, that are in your actual or constructive possession, custody, or control.

B. **“Seaside Dollar”** means Seaside Dollar, LDC, any related “d/b/a’s”, and any company, person or program affiliated with those entities.

C. **“Identify”** (with respect to documents) means to state, to the extent known, the type of document, its general subject matter, and the date of the document; and to identify any authors, addressees and recipients. Once a document is identified in accordance with this definition, the document may be referred to by Bates number.

D. **“You”** and **“your”** refer to Seaside Dollar, as defined above.

### **QUESTIONS TO BE RESPONDED TO AND DOCUMENTS TO BE PRODUCED**

1. State your full name (including corporate name), address and telephone number.

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609



2. Describe the history of Seaside Dollar, including: (a) when it was established; (b) where; (c) by whom; (d) for what purpose; and (e) any changes in the company's structure since its establishment.

3. Provide all documents showing Seaside Dollar's organizational structure, including: (a) all current directors, members or owners; (b) any Articles of Incorporation; and (c) any corporate by-laws.

4. State the name, address and telephone number of any and all companies with which you are affiliated and the nature of the affiliation, including, without limitation: (a) all predecessors, subsidiaries, affiliates, branches, divisions, groups, operations, units, parent organizations, plants, and any joint ventures of which you are a part; and (b) each of the present or former officers, directors, employees, agents, and representatives of Seaside Dollar or the entities listed in subparagraph (a) above.

5. Provide all documents concerning all other names in which you act, operate, or conduct your business, including the names of all payment processors, loan servicers, and affiliates.

6. Identify and produce all business licenses, certificates of authority, surety bonds or surety accounts, and any other official licenses or authorizations allowing Seaside Dollar, or any of its parent companies, corporate affiliates, or subsidiaries, to provide consumer loans or engage in any business in Vermont (including applications and supporting documents filed to obtain the licenses and authorizations).

7. Describe generally all of your business operations.

8. Describe how Seaside Dollar conducts its consumer lending business, including, but not limited to:

- a. How Seaside Dollar contacts consumers and acquires its customers (describe any marketing, advertisements, solicitation, etc.)
- b. A detailed description of all loan services that Seaside Dollar offers to consumers;
- c. All fees Seaside Dollar charges for each of its consumer loans;
- d. How Seaside Dollar determines what fees to charge;
- e. The interest rates that Seaside Dollar charges for each of its consumer loans;
- f. How Seaside Dollar determines what interest to charge;
- g. How Seaside Dollar collects money from consumers (i.e., check, automatic debits or ACH processing, etc.); and
- h. What kinds of records are kept by Seaside Dollar, including contacts with consumers, including but not limited to: documents, recordings, e-mails, etc.

9. Provide copies of all documents which Seaside Dollar provides to prospective customers, including but not limited to, marketing materials, e-mails, phone scripts, webpages, etc.

10. State when Seaside Dollar first began offering or making consumer loans:

- a. Anywhere in the United States; and
- b. In or into the State of Vermont.

11. If Seaside Dollar ceased making consumer loans anywhere in the United States, state: (a) where; (b) when; and (c) why Seaside Dollar stopped making such loans.

12. Provide a complete list of all websites owned, controlled or operated, in whole or in part, by Seaside Dollar.

13. Provide a complete list of every consumer in the State of Vermont to whom you have loaned any money since January 1, 2009 and, for each such consumer (*note: please set out all information other than the documents requested below, in the Excel spreadsheet sent to you electronically*):

- a. Provide the consumer's name, addresses, and any other related contact or identifying information (i.e., any internal consumer identification number);
- b. Provide the consumer's bank information, including name, location, and the last four digits of any bank account number(s);
- c. Provide the date, amount, term and interest rate of each loan;
- d. Provide the amount collected by You (including all principal, fees, interest, and any other charges, each listed separately);
- e. State the method by which you collected the amounts from each consumer (i.e., automatic debit, check, credit card payment, etc.); and
- f. Provide all supporting documentation for each consumer loan (loan agreements, correspondence, transaction records, etc.).

14. Identify all financial institutions and payment processors involved in processing loans and payments in, into, or from Vermont, on Seaside Dollar's behalf.

15. Identify and produce copies of all consumer complaints received by or relating to you, including, but not limited to, correspondence, notes and recordings of telephonic complaints.

16. Identify any litigation against or investigation of you by a government agency (state or federal) or a consumer or class of consumers since January 1, 2009.

a. For each litigation or investigation identified, provide all documents of the final resolution (i.e., any court judgment, order, or decree, or any settlement or consent decree).

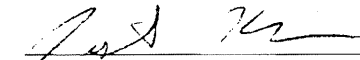
17. State the name, address and position of all persons at Seaside Dollar who participated in responding to this Subpoena.

**STATUTORY PENALTIES**

Any person who, with intent to avoid, evade, or prevent compliance, in whole or in part, with any civil investigation under 9 V.S.A. § 2460, removes from any place, conceals, withholds, or destroys, mutilates, alters, or by any other means falsifies any documentary material in the possession, custody or control of any person of any such notice, or mistakes or conceals information, shall be fined not more than \$25,000.00 pursuant to 9 V.S.A. § 2460. Failure to comply with the subpoena may result in an assessment of civil penalties and costs of enforcement.

DATED at Montpelier, Vermont this 28<sup>th</sup> day of February, 2014.

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By:   
Justin Kolber  
Assistant Attorney General  
Office of the Attorney General  
109 State Street  
Montpelier, Vermont 05609  
802.828.5620

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL

In re: Seaside Dollar, LDC )

**CERTIFICATE OF COMPLIANCE**

I, \_\_\_\_\_, hereby certify that I have reviewed the responses to the Civil Investigative Subpoena dated \_\_\_\_\_, and that they are true and accurate to the best of my knowledge and belief. I further certify that all of the requested material within the possession, custody, or control of the person to whom said Subpoena is directed has been produced, except that for which a privilege has expressly been claimed.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

Subscribed to and sworn to before me at \_\_\_\_\_,  
\_\_\_\_\_,  
City State/Province  
this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN  
CHIEF ASST. ATTORNEY  
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STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL  
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CIVIL RIGHTS: (802) 828-3657  
WEBPAGE: [www.atg.state.vt.us](http://www.atg.state.vt.us)

April 22, 2014

SFS Inc.  
d/b/a Preferred Cash Loans.com  
d/b/a One Click Cash  
52946 Highway 12, Suite 3  
Niobrara, NE 68760

Via Certified Mail

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe that **SFS Inc.** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). If so, you are hereby advised to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support. Otherwise, you are instructed to comply with the below.

Unlicensed money lending (including payday lending<sup>1</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that "no person shall . . . engage in the business of making loans of money [or] credit" without "first obtaining a license from" the state Department of Financial Regulation ("DFR"). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending. See 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

---

<sup>1</sup> See 8 V.S.A. § 2519(a)(13).

[Type text]

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>2</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **SFS Inc.** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made.”). *See also Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does not have any real property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: “[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, ‘it has clear notice that it is subject to [jurisdiction] there’ . . .” (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292 (Pa. 2010) (out-of-state internet lender subject to Pennsylvania’s “licensing and regulatory restrictions”).

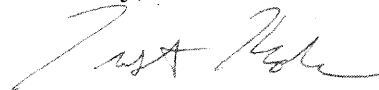
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<sup>2</sup> *See West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); *see also Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).

[Type text]

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Justin Kolber".

Justin Kolber  
Assistant Attorney General



**STATE OF VERMONT  
OFFICE OF ATTORNEY GENERAL**

**IN RE: Silver Cloud Financial, Inc.            )**

**CIVIL INVESTIGATIVE SUBPOENA DUCES TECUM  
PURSUANT TO 9 V.S.A. § 2460**

**TO: Silver Cloud Financial, Inc. d/b/a USA Money Shop  
635 East Hwy 20, C  
Upper Lake, CA 95485**

In connection with the above investigation, and pursuant to 9 Vermont Statutes Annotated (V.S.A.) § 2460, as amended, you are required to provide responses under oath to the following questions, and to provide the following documents, all to the Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609, no later than ten days from the date this Subpoena is received.

This is a confidential proceeding pursuant to 9 V.S.A. § 2460(a). You are entitled to consult with a lawyer in connection with this Subpoena. You are encouraged to contact the undersigned Assistant Attorney General prior to responding.

**BASIS FOR ISSUING SUBPOENA**

The Attorney General has reason to believe that Silver Cloud has engaged in unfair and deceptive acts and practices in connection with unlicensed lending, in violation of the Vermont Consumer Protection Act, 9 V.S.A. ch. 63. It is a violation of the Act for a lender to: (i) make loans in Vermont without a license under 8 V.S.A. §§ 2201 & 2233(b); and (ii) charge interest rates above the legal limits set forth in 9 V.S.A. § 41a.

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

## INSTRUCTIONS

A. **Form of response.** In responding to each question, please reproduce the question before the answer provided in response. In responding to requests for document production, please state which documents are responsive to which request, and reference Bates numbers.

B. **Documents.** You are required to produce the originals or legible photographic copies of all the documents described in this subpoena that are in your actual or constructive possession, custody or control. *Please produce all documents electronically, and Bates-stamp all documents, and refer to the stamp numbers in your responses, as appropriate.*

C. **Claims of privilege.** If any document called for by this subpoena is withheld under any claim of privilege, you are required to furnish a list identifying each document or portion of a document for which the privilege is claimed, together with the basis on which the privilege is claimed, and the paragraph or subparagraph of this subpoena to which the withheld document would respond.

D. **Lost, removed, destroyed, or altered documents.** If any document responsive to this subpoena has been lost, removed, destroyed or altered prior to the service of this subpoena, furnish, for each such document: (i) a description of the document to the extent known, and the last time and location that the document is known or believed to have existed; (ii) the date, sender, recipient and other persons to whom copies were sent, subject matter, present location, and location of any copies; and (iii) the identity of any person authorizing or participating in any removal, destruction or

alteration; date of such loss, removal, destruction or alteration; and the method and circumstances of such removal, destruction or alteration.

E. **Certificate of Compliance.** Attached to this request is a Certificate of Compliance for you to sign, have notarized and return with your response.

F. **Timeframe for response.** Unless otherwise specified, the timeframe covered by this Subpoena is from *January 1, 2009, through the present.*

### **DEFINITIONS**

A. **“Document”** includes, without limitation, any written, printed or graphic matter of any kind, including writings, drawings, graphs, charts, calendars, photographs, sound recordings, images; and any electronic data transmission or compilation. **“Document”** includes copies if the copy bears any other marking or notation of any kind, and each such document shall include all attachments, enclosures, appendices, exhibits, and drafts of each such document, that are in your actual or constructive possession, custody, or control.

B. **“Silver Cloud”** means Silver Cloud Financial, Inc., d/b/a USA Money Shop, any other related “d/b/a’s”, and any company, person or program affiliated with those entities.

C. **“Identify”** (with respect to documents) means to state, to the extent known, the type of document, its general subject matter, and the date of the document; and to identify any authors, addressees and recipients. Once a document is identified in accordance with this definition, the document may be referred to by Bates number.

D. **“You”** and **“your”** refer to Silver Cloud, as defined above.

### **QUESTIONS TO BE RESPONDED TO AND DOCUMENTS TO BE PRODUCED**

1. State your full name (including corporate name), address and telephone number.

2. Describe the history of Silver Cloud, including: (a) when it was established; (b) where; (c) by whom; (d) for what purpose; and (e) any changes in the company's structure since its establishment.

3. Provide all documents showing Silver Cloud's organizational structure, including: (a) all current directors, members or owners; (b) any Articles of Incorporation; and (c) any corporate by-laws.

4. State the name, address and telephone number of any and all companies with which you are affiliated and the nature of the affiliation, including, without limitation: (a) all predecessors, subsidiaries, affiliates, branches, divisions, groups, operations, units, parent organizations, plants, and any joint ventures of which you are a part; and (b) each of the present or former officers, directors, employees, agents, and representatives of Silver Cloud or the entities listed in subparagraph (a) above.

5. Provide all documents concerning all other names in which you act, operate, or conduct your business, including the names of all payment processors, loan servicers, and affiliates.

6. Identify and produce all business licenses, certificates of authority, surety bonds or surety accounts, and any other official licenses or authorizations allowing Silver Cloud, or any of its parent companies, corporate affiliates, or subsidiaries, to provide consumer loans or engage in any business in Vermont (including applications and supporting documents filed to obtain the licenses and authorizations).

7. Describe generally all of your business operations.

8. Describe how Silver Cloud conducts its consumer lending business, including, but not limited to:

- a. How Silver Cloud contacts consumers and acquires its customers (describe any marketing, advertisements, solicitation, etc.)
- b. A detailed description of all loan services that Silver Cloud offers to consumers;
- c. All fees Silver Cloud charges for each of its consumer loans;
- d. How Silver Cloud determines what fees to charge;
- e. The interest rates that Silver Cloud charges for each of its consumer loans;
- f. How Silver Cloud determines what interest to charge;
- g. How Silver Cloud collects money from consumers (i.e., check, automatic debits or ACH processing, etc.); and
- h. What kinds of records are kept by Silver Cloud, including contacts with consumers, including but not limited to: documents, recordings, e-mails, etc.

9. Provide copies of all documents which Silver Cloud provides to prospective customers, including but not limited to, marketing materials, e-mails, phone scripts, webpages, etc.

10. State when Silver Cloud first began offering or making consumer loans:

- a. Anywhere in the United States; and
- b. In or into the State of Vermont.

11. If Silver Cloud ceased making consumer loans anywhere in the United States, state: (a) where; (b) when; and (c) why Silver Cloud stopped making such loans.

12. Provide a complete list of all websites owned, controlled or operated, in whole or in part, by Silver Cloud.

13. Provide a complete list of every consumer in the State of Vermont to whom you have loaned any money since January 1, 2009 and, for each such consumer (***note: please set out all information other than the documents requested below, in the Excel spreadsheet sent to you electronically:***

- a. Provide the consumer's name, addresses, and any other related contact or identifying information (i.e., any internal consumer identification number);
- b. Provide the consumer's bank information, including name, location, and the last four digits of any bank account number(s);
- c. Provide the date, amount, term and interest rate of each loan;
- d. Provide the amount collected by You (including all principal, fees, interest, and any other charges, each listed separately);
- e. State the method by which you collected the amounts from each consumer (i.e., automatic debit, check, credit card payment, etc.); and
- f. Provide all supporting documentation for each consumer loan (loan agreements, correspondence, transaction records, etc.).

14. Identify all financial institutions and payment processors involved in processing loans and payments in, into, or from Vermont, on Silver Cloud's behalf.

15. Identify and produce copies of all consumer complaints received by or relating to you, including, but not limited to, correspondence, notes and recordings of telephonic complaints.

16. Identify any litigation against or investigation of you by a government agency (state or federal) or a consumer or class of consumers since January 1, 2009.

a. For each litigation or investigation identified, provide all documents of the final resolution (i.e., any court judgment, order, or decree, or any settlement or consent decree).

17. State the name, address and position of all persons at Silver Cloud who participated in responding to this Subpoena.

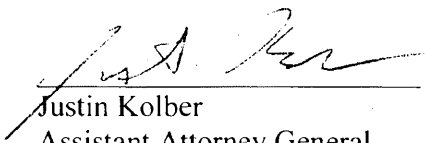
**STATUTORY PENALTIES**

Any person who, with intent to avoid, evade, or prevent compliance, in whole or in part, with any civil investigation under 9 V.S.A. § 2460, removes from any place, conceals, withholds, or destroys, mutilates, alters, or by any other means falsifies any documentary material in the possession, custody or control of any person of any such notice, or mistakes or conceals information, shall be fined not more than \$25,000.00 pursuant to 9 V.S.A. § 2460. Failure to comply with the subpoena may result in an assessment of civil penalties and costs of enforcement.

DATED at Montpelier, Vermont this 28<sup>th</sup> day of February, 2014.

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By:

  
Justin Kolber  
Assistant Attorney General  
Office of the Attorney General  
109 State Street  
Montpelier, Vermont 05609  
802.828.5620

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609



STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL

In re: Silver Cloud Financial, Inc. )

**CERTIFICATE OF COMPLIANCE**

I, \_\_\_\_\_, hereby certify that I have reviewed the responses to the Civil Investigative Subpoena dated \_\_\_\_\_, and that they are true and accurate to the best of my knowledge and belief. I further certify that all of the requested material within the possession, custody, or control of the person to whom said Subpoena is directed has been produced, except that for which a privilege has expressly been claimed.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

Subscribed to and sworn to before me at \_\_\_\_\_,  
\_\_\_\_\_,  
City State/Province  
this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN  
CHIEF ASST. ATTORNEY  
GENERAL



STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL  
109 STATE STREET  
MONTPELIER  
05609-1001

TEL: (802) 828-3171  
FAX: (802) 828-2154  
TTY: (802) 828-3665  
CIVIL RIGHTS: (802) 828-3657  
WEBPAGE: [www.atg.state.vt.us](http://www.atg.state.vt.us)

April 22, 2014

Tribal Credit Line  
P.O. Box 485  
Talmage, CA 95481

Via Fax: (800) 607-5385; Certified Mail; and E-Mail: [info@quickcredit911.com](mailto:info@quickcredit911.com)

Re: Unauthorized Lending in the State of Vermont

Dear Sir or Madam:

I am writing to notify you that we have information to believe that **Tribal Credit Line** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). If so, you are hereby advised to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support. Otherwise, you are instructed to comply with the below.

Unlicensed money lending (including payday lending<sup>1</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that "no person shall . . . engage in the business of making loans of money [or] credit" without "first obtaining a license from" the state Department of Financial Regulation ("DFR"). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.* Vermont also has statutory limits on the rate of interest charged for money lending.

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<sup>1</sup> See 8 V.S.A. § 2519(a)(13).

See 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>2</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **Tribal Credit Line** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made.”). *See also Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does not have any real property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: “[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, ‘it has clear notice that it is subject to [jurisdiction] there’....” (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292

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<sup>2</sup> *See West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); *see also Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).

(Pa. 2010) (out-of-state internet lender subject to Pennsylvania's "licensing and regulatory restrictions").

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Justin Kolber".

Justin Kolber  
Assistant Attorney General

**STATE OF VERMONT  
OFFICE OF ATTORNEY GENERAL**

**IN RE: Tribal Lending Enterprise (TLE) )**

**CIVIL INVESTIGATIVE SUBPOENA DUCES TECUM  
PURSUANT TO 9 V.S.A. § 2460**

**TO: Tribal Lending Enterprise  
d/b/a National Payday Loan**

PO Box 332  
Talmage, CA 95481

In connection with the above investigation, and pursuant to 9 Vermont Statutes Annotated (V.S.A.) § 2460, as amended, you are required to provide responses under oath to the following questions, and to provide the following documents, all to the Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609, no later than ten days from the date this Subpoena is received.

This is a confidential proceeding pursuant to 9 V.S.A. § 2460(a). You are entitled to consult with a lawyer in connection with this Subpoena. You are encouraged to contact the undersigned Assistant Attorney General prior to responding.

**BASIS FOR ISSUING SUBPOENA**

The Attorney General has reason to believe that Tribal Lending Enterprise has engaged in unfair and deceptive acts and practices in connection with unlicensed lending, in violation of the Vermont Consumer Protection Act, 9 V.S.A. ch. 63. The purpose of this subpoena is to identify all loan transactions involving Vermont consumers and the use of consumer information. A

**Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609**



follow-up subpoena may be issued to investigate further activities in connection with such transactions.

**INSTRUCTIONS AND DEFINITIONS**

A. **Documents.** You are required to produce the originals or legible photographic copies of all the documents described in this subpoena that are in your actual or constructive possession, custody or control. *Please produce all documents electronically, and Bates-stamp all documents, and refer to the stamp numbers in your responses, as appropriate.*

B. **Claims of privilege.** If any document called for by this subpoena is withheld under any claim of privilege, you are required to furnish a list identifying each document or portion of a document for which the privilege is claimed, together with the basis on which the privilege is claimed, and the paragraph or subparagraph of this subpoena to which the withheld document would respond.

C. **Lost, removed, destroyed, or altered documents.** If any document responsive to this subpoena has been lost, removed, destroyed or altered prior to the service of this subpoena, furnish, for each such document: (i) a description of the document to the extent known, and the last time and location that the document is known or believed to have existed; (ii) the date, sender, recipient and other persons to whom copies were sent, subject matter, present location, and location of any copies; and (iii) the identity of any person authorizing or participating in any removal, destruction or alteration; date of such loss, removal, destruction or alteration; and the method and circumstances of such removal, destruction or alteration.

D. **Certificate of Compliance.** Attached to this request is a Certificate of Compliance for you to sign, have notarized and return with your response.

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

E. **Timeframe for response.** Unless otherwise specified, the timeframe covered by this Subpoena is from *January 1, 2012, through the present.*

F. **“You” and “your”** means Tribal Lending Enterprise (TLE), d/b/a National Payday Loan, any related “d/b/a’s”, and any company, person or program affiliated with one or more of those entities.

**QUESTIONS TO BE RESPONDED TO AND DOCUMENTS TO BE PRODUCED**

1. State your full name (including corporate name), address and telephone number.
2. Provide a complete list of all websites owned, controlled or operated, in whole or in part, by you.
3. State when you first began offering or making consumer loans:
  - a. Anywhere in the United States; and
  - b. In or into the State of Vermont.
4. Provide a complete list of every consumer in the State of Vermont to whom you have loaned any money since January 1, 2012, and, for each such consumer (*note: please set out all information other than the documents requested below, in separate fields in an Excel spreadsheet*):
  - a. Provide the consumer’s last name, first name, street addresses, city, state and zip code, and any other related contact or identifying information (i.e., any internal consumer identification number);
  - b. Provide the consumer’s bank information, including name, location, and the last four digits of any bank account number(s);
  - c. Provide the date, amount, term and interest rate of each loan;

Office of the  
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GENERAL  
109 State Street  
Montpelier, VT  
05609



- d. Provide the amount collected by You (including all principal, fees, interest, and any other charges, each listed separately);
  - e. State the method by which you collected the amounts from each consumer (i.e., automatic debit, check, credit card payment, etc.); and
  - f. Provide all supporting documentation for each consumer loan (loan agreements, correspondence, transaction records, etc.).
5. Identify all lead generators, aggregators, and any other third parties involved in marketing, soliciting, and advertising loans on your behalf.
6. If you purchased or obtained any customer list or list of borrower leads, identify all entities who sold or provided you such lists.
7. Identify all aggregators, debt collectors, or any other companies or persons who since January 1, 2012, have purchased, obtained or had access to your customer information, including contact information of borrowers or applicants.
8. For all such entities identified in question #6, describe how you sell, provide, or allow access to customer information, including contact information of borrowers or applicants, to such entity.
9. Identify all financial institutions and payment processors involved in processing loans and payments in, into, or from Vermont, or in connection to a Vermont resident or an individual with a Vermont address, on your behalf, excluding the consumer's bank(s).
10. State the name, address and position of all persons who participated in responding to this Subpoena.

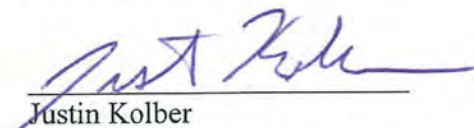
**STATUTORY PENALTIES**

Any person who, with intent to avoid, evade, or prevent compliance, in whole or in part, with any civil investigation under 9 V.S.A. § 2460, removes from any place, conceals, withholds, or destroys, mutilates, alters, or by any other means falsifies any documentary material in the possession, custody or control of any person of any such notice, or mistakes or conceals information, shall be fined not more than \$25,000.00 pursuant to 9 V.S.A. § 2460. Failure to comply with the subpoena may result in an assessment of civil penalties and costs of enforcement.

DATED at Montpelier, Vermont this 7<sup>th</sup> day of October, 2016.

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By:

  
Justin Kolber  
Assistant Attorney General  
Office of the Attorney General  
109 State Street  
Montpelier, Vermont 05609  
802.828.5620

Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609

**STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL**

**IN RE: Tribal Lending Enterprise (TLE) )**

**CERTIFICATE OF COMPLIANCE**

I, \_\_\_\_\_, hereby certify that I have reviewed the responses to the Civil Investigative Subpoena dated \_\_\_\_\_, and that they are true and accurate to the best of my knowledge and belief. I further certify that all of the requested material within the possession, custody, or control of the person to whom said Subpoena is directed has been produced, except that for which a privilege has expressly been claimed.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

Subscribed to and sworn to before me at \_\_\_\_\_, \_\_\_\_\_,  
City State/Province  
this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609**



WILLIAM H. SORRELL  
ATTORNEY GENERAL

SUSANNE YOUNG  
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN  
CHIEF ASST. ATTORNEY  
GENERAL



STATE OF VERMONT  
OFFICE OF THE ATTORNEY GENERAL  
109 STATE STREET  
MONTPELIER  
05609-1001

TEL: (802) 828-3171  
FAX: (802) 828-2154  
TTY: (802) 828-3665  
CIVIL RIGHTS: (802) 828-3657  
WEBPAGE: [www.atg.state.vt.us](http://www.atg.state.vt.us)

April 22, 2014

Insight Capital, LLC  
d/b/a United Cash Loans  
ATTN: Bill Smith  
2168 Green Springs Highway  
Birmingham, AL 35205

Via Fax: 1-800-803-8794; Certified Mail; and E-Mail:  
[customerservice@unitedcashloans.com](mailto:customerservice@unitedcashloans.com)

Re: Unauthorized Lending in the State of Vermont

Dear Bill Smith:

I am writing to notify you that we have information to believe that **United Cash Loans** has extended credit to a Vermont resident in violation of Vermont's lending and usury laws (described below). If so, you are hereby advised to: (1) cease making consumer loans to any Vermont resident unless you come into immediate compliance with Vermont law; and (2) cancel and refund all outstanding Vermont loans to each and every Vermont consumer. If you have not made any consumer loan in Vermont, and believe you received this letter in error, please let us know and provide your support. Otherwise, you are instructed to comply with the below.

Unlicensed money lending (including payday lending<sup>1</sup>) is prohibited in the State of Vermont. The Vermont Licensed Lenders Act provides that "no person shall . . . engage in the business of making loans of money [or] credit" without "first obtaining a license from" the state Department of Financial Regulation ("DFR"). 8 V.S.A. § 2201. A failure to comply with this provision constitutes an unfair and deceptive act in commerce, in violation of the Vermont Consumer Protection Act. 9 V.S.A. § 2481w(b). It is also illegal to solicit loans without a state license. *Id.*

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<sup>1</sup> See 8 V.S.A. § 2519(a)(13).

Vermont also has statutory limits on the rate of interest charged for money lending. See 9 V.S.A. § 41a(b)(1) & (b)(5) (setting the interest rates at 12-24% per annum for all loans involving money or credit).

The Vermont Consumer Protection Act authorizes the Attorney General to enforce the Act. This includes conducting formal investigations via subpoena (section 2460), and civil actions including injunctive and monetary relief (section 2458). The latter section expressly authorizes the Attorney General to recover a civil penalty of up to \$10,000 for each violation of the Act, and to seek “restitution . . . on behalf of a consumer.” Each loan made is a separate and distinct violation.

Therefore, unless you obtain a license from the DFR pursuant to Title 8, Chapter 73, you are immediately ordered to: (i) cease all loan origination and solicitation of loans in Vermont; and (ii) cease collection of all outstanding Vermont loans. **Additionally**, you are directed to: (iii) identify all payment processors used by you to collect loan payments from consumers; and (iv) refund all amounts collected from Vermont consumers.<sup>2</sup> **Please provide a list of:** all such consumers, the date and amount of each loan, any interest and fees charged, confirmation that all amounts are refunded (i.e., copy of any explanatory letter, and check), and the list of payment processors, within **30 days** of the date of this letter.

Please note that Vermont’s laws apply regardless of whether **United Cash Loans** has no physical presence in Vermont. 8 V.S.A. § 2233(b) (“A loan solicited or made by mail, telephone, or electronic means to a Vermont resident shall be subject to [Vermont law] notwithstanding where the loan was legally made.”). See also *Revision Military, Inc. v. Balboa Mfg. Co.*, 2011 WL 3875624 (D. Vt. Aug. 31, 2011), at \*9 (asserting jurisdiction over California company that “does not have any real property, employees, sales staff, or offices in Vermont; is not registered to do business in Vermont, has no registered agent to accept service within the state, and does not advertise in Vermont-based publications”) (citing with approval the seminal case of *Zippo Mfg. Co. v. Zippo Dot Com, Inc.*, 952 F.Supp. 1119 (W.D. Pa. 1997), which established jurisdiction based on Internet activity: “[w]hen a defendant makes a conscious choice to conduct business [over the Internet] with the residents of a forum state, ‘it has clear notice that it is subject to [jurisdiction] there’....” (citation omitted)); *QuikPayday, Inc. v. Stork*, 549 F. 3d 1302 (10th Cir. 2008) (Utah-based internet lender subject to Kansas usury regulations); *Cash*

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<sup>2</sup> See *West Virginia v. CashCall, Inc.*, Civ. No. 08-C-1964 (Kanawha County Circuit Court, Judge Bloom), Sept. 10, 2012 (prohibiting the “making and collecting of all usurious loans” without a state license, voiding all loan contracts and cancelling all outstanding debts, and ordering over ten million dollars in consumer restitution); see also *Solomon v. Gilmore*, 731 A. 2d 280, 289 (Conn. App. 1999) (voiding loan contracts in violation of state statutory or licensing requirements); *Edwards v. Alabama Farm Bureau Mutual Casualty Insurance Company*, 509 So. 2d 232, 236 (Ala. App. 1986) (same).

*America Net of Nevada, LLC v. Commonwealth of Pennsylvania*, 8 A.3d 282, 292 (Pa. 2010) (out-of-state internet lender subject to Pennsylvania’s “licensing and regulatory restrictions”).

Your prompt attention to this matter will be appreciated. Please contact this office with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Justin Kolber".

Justin Kolber  
Assistant Attorney General

**STATE OF VERMONT  
OFFICE OF ATTORNEY GENERAL**

**IN RE:           United Consumer Financial Services, Inc.           )**

**CIVIL INVESTIGATIVE SUBPOENA DUCES TECUM  
PURSUANT TO 9 V.S.A. § 2460**

TO:   United Consumer Financial Services, Inc.  
      a/k/a United First Financial Service, Inc.  
      d/b/a EZPaydayCash and  
      d/b/a CentralPayDay

4760 South Highland Drive, Suite 654  
Salt Lake City, UT 84117-5149

In connection with the above investigation, and pursuant to 9 Vermont Statutes Annotated (V.S.A.) § 2460, as amended, you are required to provide responses under oath to the following questions, and to provide the following documents, all to the Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609, no later than ten days from the date this Subpoena is received.

This is a confidential proceeding pursuant to 9 V.S.A. § 2460(a). You are entitled to consult with a lawyer in connection with this Subpoena. You are encouraged to contact the undersigned Assistant Attorney General prior to responding.

**BASIS FOR ISSUING SUBPOENA**

The Attorney General has reason to believe that United Consumer Financial Services has engaged in unfair and deceptive acts and practices in connection with unlicensed lending, in violation of the Vermont Consumer Protection Act, 9 V.S.A. ch. 63. The purpose of this subpoena is to identify all loan transactions involving Vermont consumers and the use of consumer

**Office of the  
ATTORNEY  
GENERAL  
109 State Street  
Montpelier, VT  
05609**



information. A follow-up subpoena may be issued to investigate further activities in connection with such transactions.

### **INSTRUCTIONS AND DEFINITIONS**

A. **Documents.** You are required to produce the originals or legible photographic copies of all the documents described in this subpoena that are in your actual or constructive possession, custody or control. *Please produce all documents electronically, and Bates-stamp all documents, and refer to the stamp numbers in your responses, as appropriate.*

B. **Claims of privilege.** If any document called for by this subpoena is withheld under any claim of privilege, you are required to furnish a list identifying each document or portion of a document for which the privilege is claimed, together with the basis on which the privilege is claimed, and the paragraph or subparagraph of this subpoena to which the withheld document would respond.

C. **Lost, removed, destroyed, or altered documents.** If any document responsive to this subpoena has been lost, removed, destroyed or altered prior to the service of this subpoena, furnish, for each such document: (i) a description of the document to the extent known, and the last time and location that the document is known or believed to have existed; (ii) the date, sender, recipient and other persons to whom copies were sent, subject matter, present location, and location of any copies; and (iii) the identity of any person authorizing or participating in any removal, destruction or alteration; date of such loss, removal, destruction or alteration; and the method and circumstances of such removal, destruction or alteration.

D. **Certificate of Compliance.** Attached to this request is a Certificate of Compliance for you to sign, have notarized and return with your response.

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E. **Timeframe for response.** Unless otherwise specified, the timeframe covered by this Subpoena is from *January 1, 2012, through the present.*

F. **“You” and “your”** means United Consumer Financial Services, Inc., United First Financial Service, Inc., EZPaydayCash, CentralPayDay, any related “d/b/a’s”, and any company, person or program affiliated with one or more of those entities.

**QUESTIONS TO BE RESPONDED TO AND DOCUMENTS TO BE PRODUCED**

1. State your full name (including corporate name), address and telephone number.
2. Provide a complete list of all websites owned, controlled or operated, in whole or in part, by you.
3. State when you first began offering or making consumer loans:
  - a. Anywhere in the United States; and
  - b. In or into the State of Vermont.
4. Provide a complete list of every consumer in the State of Vermont to whom you have loaned any money since January 1, 2012, and, for each such consumer (*note: please set out all information other than the documents requested below, in separate fields in an Excel spreadsheet*):
  - a. Provide the consumer’s last name, first name, street addresses, city, state and zip code, and any other related contact or identifying information (i.e., any internal consumer identification number);
  - b. Provide the consumer’s bank information, including name, location, and the last four digits of any bank account number(s);
  - c. Provide the date, amount, term and interest rate of each loan;

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- d. Provide the amount collected by You (including all principal, fees, interest, and any other charges, each listed separately);
  - e. State the method by which you collected the amounts from each consumer (i.e., automatic debit, check, credit card payment, etc.); and
  - f. Provide all supporting documentation for each consumer loan (loan agreements, correspondence, transaction records, etc.).
5. Identify all lead generators, aggregators, and any other third parties involved in marketing, soliciting, and advertising loans on your behalf.
6. If you purchased or obtained any customer list or list of borrower leads, identify all entities who sold or provided you such lists.
7. Identify all aggregators, debt collectors, or any other companies or persons who since January 1, 2012, have purchased, obtained or had access to your customer information, including contact information of borrowers or applicants.
8. For all such entities identified in question #6, describe how you sell, provide, or allow access to customer information, including contact information of borrowers or applicants, to such entity.
9. Identify all financial institutions and payment processors involved in processing loans and payments in, into, or from Vermont, or in connection to a Vermont resident or an individual with a Vermont address, on your behalf, excluding the consumer's bank(s).
10. State the name, address and position of all persons who participated in responding to this Subpoena.

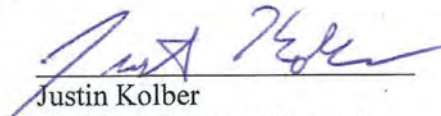
**STATUTORY PENALTIES**

Any person who, with intent to avoid, evade, or prevent compliance, in whole or in part, with any civil investigation under 9 V.S.A. § 2460, removes from any place, conceals, withholds, or destroys, mutilates, alters, or by any other means falsifies any documentary material in the possession, custody or control of any person of any such notice, or mistakes or conceals information, shall be fined not more than \$25,000.00 pursuant to 9 V.S.A. § 2460. Failure to comply with the subpoena may result in an assessment of civil penalties and costs of enforcement.

DATED at Montpelier, Vermont this 7<sup>th</sup> day of October, 2016.

WILLIAM H. SORRELL  
ATTORNEY GENERAL

By:

  
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