VT SUPERIOR COURT
WASHINGTON UNIT
CIVIL DIVISION

**STATE OF VERMONT**
**SUPERIOR COURT** 2015 SEP 22 P 2:43
**WASHINGTON UNIT**

In Re: Manor Resources, LLC ) CIVIL DIVISION
) Docket No. 603-9-15 Wnaw

## ASSURANCE OF DISCONTINUANCE

The State of Vermont, by and through Vermont Attorney General William H. Sorrell, and Manor Resources, LLC, d/b/a Turbo Title Loan ("Manor Resources" or "Respondent"), hereby enter into this Assurance of Discontinuance ("AOD") pursuant to 9 V.S.A. § 2459.

### Background

***Manor Resources***

1. Manor Resources, LLC, d/b/a Turbo Title Loan is an Illinois limited liability company with offices located at 1440 N. Dayton Street, Suite 200 Chicago, IL 60642. Since 2005, Respondent has engaged in the business of making short-term, small dollar consumer loans.

***Regulatory Framework***

2. Pursuant to 9 V.S.A. § 2481w, it is an unfair and deceptive act and practice in commerce for a lender to solicit or make consumer loans unless the lender is in compliance with all provisions of 8 V.S.A. Chapter 73.
3. Chapter 73 of Title 8 requires all lenders to obtain a state license from the Department of Financial Regulation. 8 V.S.A. § 2201.
4. Any loan made in knowing and willful violation of the requirement that an entity engaged in the business of making loans of money or credit without first obtaining a

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license shall be void and the lender shall have no right to collect or receive any principal, interest, or charges. 8 V.S.A. § 2215(d)(1).

5. A lender which makes a loan made without a license, but without a finding of knowing and willful violation of the requirement of a license, shall have no right to collect or receive any interest or charges whatsoever, but shall have a right to collect and receive principal. 8 V.S.A. § 2215(d)(1).
6. Chapter 4 of Title 9 limits the amount of interest and other consideration a lender may charge to between 12-24% per annum, depending on the type of loan. *See* 9 V.S.A. § 41a, 8 V.S.A. § 2233.
7. A lender that charges interest plus other consideration in excess of the allowable rates forfeits the right to collect any interest or charges whatsoever, and is entitled to collect only half the principal. *See* 9 V.S.A. § 50(b).
8. Violations of the Consumer Protection Act are subject to a civil penalty of up to $10,000.00 per violation. 9 V.S.A. § 2458(b)(1). Each day that a violation continues is a separate violation.

***Respondent's Consumer Loan Practices***

9. Manor Resources owns and operates the websites www.turbotitleloan.com and www.turbotitleloan.ca, by which it markets loans to consumers in various states, including to consumers in Vermont.
10. In order to fund and ensure repayment of its loans, Respondent requires borrowers to assign their vehicle title as security for the loans.
11. Respondent has offered and made vehicle title loans to Vermont consumers in amounts that range from $1,500-$6,000. The annualized interest rate of Respondent's loans

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exceeded the interest rates allowed by Vermont law, and typically exceeded 100% per annum.

12. Since March 2010, Respondent has funded six vehicle title loans to five Vermont consumers, for a total of $16,713 in principal funded. In connection with these loans, Respondent has collected $16,043 in interest and fees from those consumers.

13. As of June 2013, Respondent ceased lending to Vermont consumers.

14. Respondent admits the truth of the facts described in ¶¶ 1; 9-13.

***The State's Allegations***

15. The Vermont Attorney General's Office alleges the following violations of the Consumer Protection Act and Vermont law:

    a. The making of loans to Vermont consumers without a state license under Title 8, Chapter 73 violated 9 V.S.A. § 2481w(b); and

    b. The charging of interest and other compensation in excess of Vermont's legal rates violated 9 V.S.A. § 41a.

16. The State of Vermont alleges that the above behavior constitutes unfair and deceptive acts and practices under 9 V.S.A. § 2453.

**Assurances and Relief**

In lieu of instituting an action or litigation, the Attorney General and Respondent are willing to accept this AOD pursuant to 9 V.S.A. § 2459 as a just resolution of this matter, and the parties agree as follows:

***Injunctive Relief***

17. Prior to doing any business in Vermont involving a loan as defined in Vermont law, Respondent shall comply with the following sections of the Vermont Statutes

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Annotated: Title 8, Chapter 73 (Licensed Lenders statutes); Title 9, Chapter 4 (Interest statutes); and Title 9, Chapter 63 (Consumer Protection statutes).

18. Manor Resources shall immediately cease advertising, offering, funding, or collecting upon any loan to Vermont consumers, unless and until Respondent has obtained the proper state license under Title 8, Chapter 73, and has complied with all other lending requirements. In furtherance of this provision, Manor Resources shall not purchase advertising for loans in Vermont, including television and internet ads, unless Manor Resources complies with ¶¶ 17-18.

19. Manor Resources shall cancel all current, delinquent, defaulted, charged-off, or outstanding lending transactions which it entered into with Vermont consumers, and shall not undertake any efforts to collect on these transactions. Manor Resources shall not contract with any third-party debt collectors regarding these transactions, nor sell, or transfer, any obligations arguably due based upon these transactions. Manor Resources shall not make any negative reports to any credit bureau, check clearinghouse, or other related service with respect to these transactions. If any negative reports to any such credit bureau or related service with respect to a Vermont consumer have been made, Respondent, or the responsible party for Manor Resources, shall, within thirty (30) days of the entry of this AOD, request that those negative references be removed.

20. If any consumer complains to the Attorney General or to Manor Resources about a loan transaction entered into with Respondent, Manor Resources shall review the complaint within ten days of receipt, and take actions consistent with this AOD, including cancelling any outstanding loan, removing any negative credit reporting, and refunding all interest and fees. If Manor Resources disputes any complaint, Respondent shall send

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a written explanation to the consumer, and shall include a statement that the consumer may contact the Consumer Assistance Program at (802) 656-3183 or consumer@uvm.edu, if the consumer disagrees.

***Payments to Consumers***

21. Within 60 days of signing this AOD, Manor Resources shall repay all interest and fees that it collected from Vermont consumers, for a total of $16,043 paid to five consumers. Respondent shall send a letter from the Attorney General (Exhibit A), and the consumer's payment, in an envelope provided by the Attorney General's Office. Each consumer check shall have a deposit deadline of 90 days from the date of issuance.
22. Within 75 days of signing this AOD, Manor Resources shall send to the Attorney General's Office a list (in electronic Excel spreadsheet) of all consumers to whom payments were made, including the consumer name (which list shall set out the first and last names of the consumers in distinct fields or columns), contact information, and the amount paid.
23. In the event that Manor Resources is not able to locate consumers to whom any payments are owed after all reasonable efforts to do so have been taken and no later than 120 days after signing this AOD, Respondent shall mail to the Attorney General's Office:
    a. A single check, payable to "Vermont State Treasurer" in the total dollar amount of all outstanding amounts and all checks that were returned as undeliverable or that went uncashed, to be treated as unclaimed funds, under Vermont's unclaimed property statute, Title 17, Chapter 14;

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b. A list, in electronic Excel format, of the consumers whose checks were returned or were not cashed (which list shall set out the first and last names of the consumers in distinct fields or columns), and for each such consumer, the last known address and dollar amount due; and

c. The company's corporate address and federal tax identification number.

***Payment to the State of Vermont***

24. Manor Resources shall pay to the State of Vermont $12,000 in civil penalties and costs, as follows: four thousand dollars ($4,000) within 30 days of signing this AOD; four thousand dollars ($4,000) within 60 days of signing this AOD; and the final four thousand dollars ($4,000) within 90 days of signing this AOD. All payments shall be made to the "State of Vermont" and shall be sent to the Vermont Attorney General's Office at the following address: Justin Kolber, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

**Other Terms**

25. The parties have consented to the entry of this AOD for the purpose of settlement only and agree that it does not constitute an admission of the violation of any law, rule, or regulation.

26. Nothing in this AOD shall be construed to limit Manor Resources' ability or right to assert any legal, factual, or equitable defenses, including jurisdictional defenses, in any pending or future proceeding of any kind, except with respect to enforcement of this AOD by the Attorney General.

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27. Acceptance of this AOD by the Vermont Attorney General's Office shall not be deemed approval by the Attorney General of any practices or procedures of Respondent not required by this AOD, and Respondent shall make no representation to the contrary.

28. This AOD and all terms therein shall be binding on Manor Resources, all of its affiliate companies doing business in Vermont, its officers, directors, owners, managers, successors and assigns. All current and future officers and directors of Manor Resources further agree to be personally bound by ¶¶ 17-18 of this AOD in both their official and individual capacity, and shall not undertake any role, personally or with any other company or entity (past, present, or future), in making loans in Vermont unless they comply with ¶¶ 17-18 of this AOD.

29. The undersigned authorized agent of Manor Resources shall promptly take reasonable steps to ensure that copies of this document are provided to all officers, directors, owners and managers of the company, and all of its affiliate companies doing business in Vermont.

30. This AOD resolves all existing claims the State of Vermont may have against Manor Resources stemming from the conduct described in this document.

31. Nothing in this AOD waives the right of any consumer to pursue claims stemming from the conduct described in this document; excepting, however, any consumer who accepts payment under the terms of this AOD shall waive any such claim against Manor Resources.

32. The Superior Court of the State of Vermont, Washington Unit, shall have Jurisdiction over this AOD and the parties hereto for the purpose of enabling any of the parties hereto to apply to this Court at any time for orders and directions as may be necessary

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or appropriate to carry out or construe this AOD, to modify or terminate any of its provisions, to enforce compliance, and to punish violations of its provisions.

33. All notice related to this AOD shall be given to Manor Resources at:

    Mark Pollack, Paul Hastings, LLP, 71 South Wacker Drive, Suite 4500, Chicago, IL 60606

34. Manor Resources shall notify the Attorney General of any change of business name or address within 20 business days.

**Violations and Stipulated Penalties**

35. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Manor Resources to be in violation of this AOD, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance shall be $10,000. For purposes of this paragraph, the term "each act" shall mean: (a) each instance of soliciting, making, or collecting a loan in Vermont without a state license; and (b) each instance of charging an interest rate above the legal rates allowed by 9 V.S.A. § 41a.

36. In the event that the Attorney General alleges that Respondent has violated any of the terms of this AOD, then the parties agree that the Attorney General shall be entitled to bring any other matters to the Court's attention involving potential violations of law by Respondent, and that the Attorney General shall not have waived any of its rights to assert and prove any violations of law by Respondent.

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DATED at Montpelier, Vermont this 18th day of September, 2015.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____
Justin E. Kolber
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5620
Justin.kolber@vermont.gov

DATED at Chicago, Illinois this 21st day of September, 2015.

MANOR RESOURCES LLC

By: _____
Its Authorized Agent

Kieran L. Noonan Sole Manager
Name and Title of Authorized Agent

APPROVED AS TO FORM:

_____
Justin E. Kolber
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, VT 05609

For the State of Vermont

_____
Mark Pollack, Esq.
Paul Hastings LLP
71 South Wacker Drive, Suite 4500
Chicago, IL 60606

For Manor Resources, LLC

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GENERAL
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05609

**Exhibit A**

November 2015

**Re: Manor Resources, LLC settlement**

Dear Vermont consumer:

You have been identified as a consumer who took out a loan from Manor Resources, LLC, doing business as "Turbo Title Loans" between 2010 and 2013. As a result of a settlement with the Attorney General's Office, Manor Resources is providing the enclosed payment to refund all interest and fees that you paid in connection with your loan.

If you accept this payment, you will waive whatever rights, if any, that you may possess to pursue an individual claim against Manor Resources in connection with your loan. You may decline to accept the check by returning or mailing it to Manor Resources, first class postage, within 90 days of the date of this letter, to the following address:

Manor Resources, LLC
1440 N. Dayton Street, Suite 200
Chicago, IL 60642

For more information on Vermont consumer protection law or the terms of this settlement, please visit the Attorney General's Office website at www.ago.vermont.gov or call the Consumer Assistance Program at 800-649-2424 or (802) 656-3183.

Sincerely,

William H. Sorrell
Attorney General

Enc.

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