

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 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. A-1 Premium Budget owns and operates the website www.cashinawink.com, by which it previously marketed loans to consumers in various states, including to consumers in Vermont.
10. In order to fund and ensure repayment of its loans, Respondent obtained access to Vermont consumers' bank accounts. Loans were electronically funded by crediting

a borrower's account. Respondent then electronically debited that same account, often using a third-party payment processor in order to collect on the loan.

11. A-1 Premium Budget has offered loans to Vermont consumers in amounts that range from \$300-\$600. The annual percentage rate of Respondent's loans exceeded the interest rates allowed by Vermont law, and typically exceeded 300% per annum.
12. Since January 2011, Respondent has funded 16 loans to twelve Vermont consumers, for a total of \$7,070 in principal funded. In connection with these loans, Respondent has collected \$6,641 in interest and fees from those consumers.
13. As of January 2012, Respondent ceased lending to Vermont consumers.
14. Respondent admits the truth of the facts described in ¶¶ 1; 9-14.

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 Annotated: Title 8, Chapter 73 (Licensed Lenders statutes); Title 9, Chapter 4 (Interest statutes); and Title 9, Chapter 63 (Consumer Protection statutes).
18. A-1 Premium Budget 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, A-1 Premium Budget shall not purchase advertising for loans in Vermont, including television and internet ads, unless A-1 Premium Budget complies with ¶¶ 17-18.
19. A-1 Premium Budget 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. A-1 Premium Budget shall not contract with any third-party debt collectors regarding these transactions, nor sell, or transfer, any obligations arguably due based upon these transactions. A-1 Premium Budget 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 A-1 Premium Budget, 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 A-1 Premium Budget about a loan transaction entered into with Respondent, A-1 Premium Budget 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 A-1 Premium Budget disputes any complaint, Respondent shall send 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 30 days of signing this AOD, A-1 Premium Budget shall repay all interest and fees that it collected from Vermont consumers, for a total of \$6,641 paid to 12 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 35 days of signing this AOD, A-1 Premium Budget 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 A-1 Premium Budget 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;
- 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. Within 10 days of signing this AOD, A-1 Premium Budget shall pay to the State of Vermont \$10,000 in civil penalties and costs. Payment shall be made to the "State of Vermont" and shall be sent to the Vermont Attorney General's Office at the following address: Justin E. 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 A-1 Premium Budget's ability or right to assert any legal, factual, or equitable defenses, including jurisdictional

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05609

defenses, in any pending or future proceeding of any kind, except with respect to enforcement of this AOD by the Attorney General.

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 A-1 Premium Budget, 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 A-1 Premium Budget 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 A-1 Premium Budget 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 A-1 Premium Budget 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 A-1 Premium Budget.

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 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 A-1 Premium Budget at:

Christine Schiltz, Parkowski, Guerke & Swayze, P.A., 800 King Street, Suite 203, Wilmington, DE 19801

34. A-1 Premium Budget 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 A-1 Premium Budget 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.

*** SIGNATURES APPEAR ON NEXT PAGE ***

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109 State Street
Montpelier, VT
05609

DATED at Montpelier, Vermont this 2nd day of December, 2014.

STATE OF VERMONT

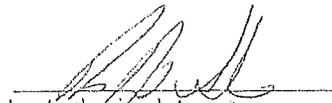
WILLIAM H. SORRELL
ATTORNEY GENERAL

By: 

Justin E. Kolber
Assistant Attorney General
Office of the Attorney General
109 State Street
Montpelier, VT 05609
(802) 828-5620
Justin.kolber@state.vt.us

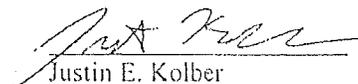
DATED at Kansas City MO this 3rd day of December, 2014.

A-1 PREMIUM BUDGET, INC.

By: 
Its Authorized Agent

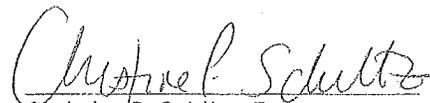
PAUL SILVERMAN, PRESIDENT
Name and Title of Authorized Agent

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



Christine P. Schiltz, Esq.
Parkowski, Guerke, & Swayze, P.A.
800 King Street, Suite 203
Wilmington, DE 19801

For A-1 Premium Budget, Inc.

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Exhibit A

December 2014

Re: A-1 Premium Budget, Inc. settlement

Dear Vermont consumer:

You have been identified as a consumer who took out a loan from A-1 Premium Budget, Inc. (also known as "Cash in a Wink") between 2011 and 2012. As a result of a settlement with the Attorney General's Office, A-1 Premium Budget 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 A-1 Premium Budget in connection with your loan. You may decline to accept the check by returning or mailing it to A-1 Premium Budget, first class postage, within 90 days of the date of this letter, to the following address:

A-1 Premium Budget, Inc.
3422 Old Capitol Trail Suite 1109
Wilmington, DE 19808

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

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GENERAL
109 State Street
Montpelier, VT
05609

Enc.