

WILLIAM H. SORRELL
ATTORNEY GENERAL

SUSANNE R. YOUNG
DEPUTY ATTORNEY GENERAL

WILLIAM E. GRIFFIN
CHIEF ASST. ATTORNEY
GENERAL



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

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

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

December 2, 2014

Bill Hayden
Senior Attorney
Legal & Corporate Affairs
Microsoft Corporation
One Microsoft Way
Redmond, WA 98052

Via E-mail

Dear Bill,

Attached is a list prepared by the Vermont Attorney General's Office, updating the previous list of Unlicensed Lenders (last sent to you on April 23, 2014).

Vermont and six other states¹ have identified approximately 300 online money lenders that have not complied with one or more state laws, including by making an online loan without a state lending license and by charging interest rates in excess of state usury limits. These lenders often use online advertising services to target consumers, including advertising in jurisdictions where the lenders' products are prohibited.

The enclosed list includes lenders that have failed to comply with one or more of the seven states' laws, as indicated in "Column E" of the spreadsheet. However, the exclusion of states from Column E does *not* mean that the lender is in compliance with the laws of other states. Column E includes only those states where the lender is confirmed as not complying with that state's law.

Our understanding from your letter dated June 4, 2014 is that, per Microsoft's own advertising policy, the lenders listed in the attached list will be prohibited from using the Yahoo-Bing Advertising Network or any other sponsored advertising, unless and until those lenders can show compliance with state law, or they "geo-target" their ads by excluding the state(s) listed in Column E. We also

¹ Arkansas, California, Colorado, Connecticut, Missouri, and New Mexico.

understand that any lender that has their advertising disabled will be notified of the restriction if and when the lender attempts to sign up for paid advertising services or if the lender is already receiving such services.

Please let us know the effective date when the companies on the enclosed list will no longer be able to advertise through Microsoft.

We appreciate your cooperation and assistance in preventing a significant consumer harm. Please feel free to call or email to discuss.

Thank you,

A handwritten signature in black ink, appearing to read "Justin E. Kolber", written in a cursive style.

Justin E. Kolber
Assistant Attorney General

Enc. "Master List – Unlicensed Lenders Nov. 2014" Excel spreadsheet