
From: Alex Lozada <ALozada@rosettela.com>
Sent: Tuesday, April 15, 2014 2:04 PM
To: Kolber, Justin
Subject: NAFSA Model Code/Vermont Licensed Lenders Act
Attachments: NAFSA Model Code and Vermont - Comparison Memo.pdf

Justin,

I've attached a brief memorandum comparing provisions of the Vermont Licensed Lenders Act with the NAFSA Model Code, in advance of tomorrow's meeting.

Alex Lozada

Rosette, LLP

Attorneys at Law

193 Blue Ravine – Suite 255

Folsom, CA 95630

916.353.1084 – Office

916.353.1085 – Fax

480.243.6513 – Cell

alozada@rosettela.com





HUDSON COOK, LLP
7250 PARKWAY DRIVE, 5TH 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> |
|----------------------------------|---|---|
| Lender License | <ul style="list-style-type: none">• Required. | <ul style="list-style-type: none">• Required. |
| Annual Interest Rates | <ul style="list-style-type: none">• 18%, or a rate that varies depending on the loan amount. | <ul style="list-style-type: none">• As agreed to by the parties, subject to unconscionability. |
| Origination Fees | <ul style="list-style-type: none">• Certain expressly authorized fees are permitted. | <ul style="list-style-type: none">• Prohibited. |
| Late Fees | <ul style="list-style-type: none">• The fee is not expressly authorized. | <ul style="list-style-type: none">• Permitted, as limited by the Model Tribal Code. |
| NSF Fees | <ul style="list-style-type: none">• The fee is not expressly authorized. | <ul style="list-style-type: none">• Permitted, as limited by the Model Tribal Code. |
| Maximum Loan Maturity | <ul style="list-style-type: none">• None, but substantially equal monthly payments are required. | <ul style="list-style-type: none">• 48 months, and end-of-term balloon payments are prohibited. |
| Minimum Loan Maturity | <ul style="list-style-type: none">• None. | <ul style="list-style-type: none">• 6 months. |
| Right to Rescind | <ul style="list-style-type: none">• None. | <ul style="list-style-type: none">• Mandatory three business day rescission period for all loans. |
| Required Loan Disclosures | <ul style="list-style-type: none">• <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, | <ul style="list-style-type: none">• <i>Immunity and Borrower Rights Disclosure</i> – A lender must provide the following disclosure in the loan agreement: 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 |

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.

From: Kolber, Justin
Sent: Wednesday, January 07, 2015 11:13 AM
To: 'Saba Bazzazieh (sbazzazieh@rosettelaw.com)'
Subject: NAFSA Tribes and Vermont List of Unlicensed Lenders

Hi, Saba,

We received your letters requesting a meeting. I'm not sure what is gained by meeting at this point.

Last spring, it seemed like there was potential for an agreeable outcome. In that spirit, my office agreed to include certain acknowledgments on our initial list of lenders regarding the Tribes. We then sent a specific outline for a resolution (see AGO July 2014 letter). Those terms were quite favorable and distinct from any other outcome we have considered (or would consider) for all other lenders. However the latest letter from the Tribes (see NAFSA letter October 2014) declined to even discuss those terms or make any counter, and made clear that the Tribes will simply continue their lending activities. So we're not even in a ballpark of agreement. I don't see what value a meeting will have, unless we are provided with something more concrete that is workable (i.e., an agreement to cease lending in Vermont – if that is a possibility, then we are willing to discuss).

If a phone call would help flesh out some of these issues, I can arrange that.

Thanks,
Justin

Justin Kolber
Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions
109 State Street
Montpelier, VT 05609
(802) 828-5620
justin.kolber@state.vt.us

From: Justin Kolber
Sent: Friday, April 11, 2014 3:04 PM
To: 'Alex Lozada'
Subject: RE: Attendees

Thanks Alex. For us:

- 2 from AGO: Myself and Wendy Morgan (Chief) – Consumer Protection Division
- 2 from DFR: Sue Clark, and Dave Cassetty (Staff Attorney)

You can ask for me, Attorney General's Office, at the security desk; we'll be in the Main Conference Room on the 2nd floor of our building (the Pavilion building).

Thanks,
Justin

Justin Kolber
Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions
109 State Street
Montpelier, VT 05609
(802) 828-5620
jkolber@atg.state.vt.us

From: Alex Lozada [mailto:Alozada@rosettela.com]
Sent: Friday, April 11, 2014 8:19 AM
To: Justin Kolber
Subject: Attendees

Here is our tentative list of attendees. We may have one or two additional tribal leaders join us, and I will let you know whether they confirm.

Chairperson Sherry Treppa, Habematolel Pomo of Upper Lake
Barry Brandon, Executive Director, Native American Financial Services Association
Alex Lozada, Rosette, LLP

Can you send us a list of attendees from your office and from the Department?

Thanks,

Alex Lozada
Rosette, LLP
Attorneys at Law
193 Blue Ravine – Suite 255
Folsom, CA 95630
916.353.1084 – Office
916.353.1085 – Fax
480.243.6513 – Cell
alozada@rosettela.com



From: Sarah Hoeller <shoeller@mynafsa.org>
Sent: Tuesday, June 10, 2014 5:27 PM
To: Kolber, Justin
Subject: RE: NAFSA Letter Attn: Assistant Attorney General Justin Kolber

Justin,

Thank you for your willingness to address our concerns regarding the disparity in Vermont's position towards tribal lending entities. To answer your questions below, May 12, 2014, the Department of Financial Regulation (the "Department") issued a cease and desist letter to Plain Green, LLC, a NAFSA member Tribe's lending entity. Also, the Attorney General's Office filed a lawsuit against Intercept, a former vendor to NAFSA tribal lending entities, which has had negative implications for NAFSA member tribes. We were certainly surprised to learn of the Attorney General's Office's and the Department's apparently contradictory actions in light of our recent discussions of good faith resolution, and we look forward to your response as to these matters.

We continue to await your proposal of a more permanent resolution of the issues discussed on April 24, 2014, regarding the "unlicensed lender" list on your office's website. For ease of communication, we can make ourselves available for a conference call and discuss these issues in greater detail.

Sincerely,
Barry Brandon

From: Kolber, Justin [mailto:justin.kolber@atg.state.vt.us]
Sent: Tuesday, June 03, 2014 2:15 PM
To: Sarah Hoeller
Subject: RE: NAFSA Letter Attn: Assistant Attorney General Justin Kolber

Hi, Sarah,

Please let Mr. Brandon know that I am reviewing the letter and will respond soon. He suggested that Vermont recently took contradictory actions, against our recent discussions of good faith resolution:

I have recently been made aware, however, that the Department has recently issued at least one cease and desist letter to a lending entity that is wholly owned and operated by a NAFSA member tribe, and I have also learned that there is a pending lawsuit filed by your office against a former vendor for at least two NAFSA member tribes.

I would like to respond to this point specifically, but I do not know what these companies and cases and letters are that he refers. I would hope this was not done purposely by our agencies, and I believe that Vermont did *not* know that NAFSA member tribes were involved. But I cannot confirm or respond to this statement unless I know which companies NAFSA is referring to. If you could please provide the names of these entities and dates (who is the "former vendor" and who are the "two tribes", etc.?).

Thanks,
Justin

Justin Kolber
Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions

109 State Street
Montpelier, VT 05609
(802) 828-5620
jkolber@atg.state.vt.us

From: Sarah Hoeller [<mailto:shoeller@mynafsa.org>]
Sent: Thursday, May 22, 2014 4:19 PM
To: Kolber, Justin
Subject: NAFSA Letter Attn: Assistant Attorney General Justin Kolber

Mr. Kolber,

On behalf of Barry Brandon, Executive Director of the Native American Financial Services Association, please find the attached letter to your attention.

Thank you,

Sarah Hoeller
www.mynafsa.org

From: Justin Kolber
Sent: Thursday, April 24, 2014 10:53 PM
To: Alex Lozada
Subject: Re: Phone call

Sure

On Apr 24, 2014, at 6:29 PM, "Alex Lozada" <ALozada@rosettela.com> wrote:

Hi Justin,

Can we schedule a phone call tomorrow at 9 am EST to follow up on yesterday's discussion? I'd like to be sure we have a chance to talk before you leave next week.

Thanks,

Alex Lozada

Rosette, LLP

Attorneys at Law

193 Blue Ravine – Suite 255

Folsom, CA 95630

<image002.jpg>916.353.1084 – Office

916.353.1085 – Fax

480.243.6513 – Cell

alozada@rosettela.com

From: Justin Kolber
Sent: Tuesday, April 08, 2014 2:52 PM
To: 'Alex Lozada'
Subject: RE: scheduling

Ok, thanks for getting back so promptly. Let's stick with 1pm Wed. Thx again

From: Alex Lozada [mailto:Alozada@rosettela.com]
Sent: Tuesday, April 08, 2014 2:50 PM
To: Justin Kolber
Subject: RE: scheduling

Hi,

I think at least half of the group is unavailable next Friday. We can be flexible on a meeting time for Wednesday if you need, though – 10 am, 2, 2:30 pm?

Alex Lozada
Rosette, LLP
Attorneys at Law
193 Blue Ravine – Suite 255
Folsom, CA 95630
916.353.1084 – Office
916.353.1085 – Fax
480.243.6513 – Cell
alozada@rosettela.com



From: Justin Kolber [mailto:jkolber@atg.state.vt.us]
Sent: Tuesday, April 08, 2014 11:47 AM
To: Alex Lozada
Subject: scheduling

Hi, Alex,

I assume you considered Friday 4/18, but I wanted to ask if that is a possibility? Friday becomes a bit more workable on our end (any time that day). Please let me know if that's do-able.

Thx, -Justin

Justin Kolber
Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions
109 State Street
Montpelier, VT 05609
(802) 828-5620
jkolber@atg.state.vt.us

From: Justin Kolber
Sent: Monday, March 10, 2014 4:50 PM
To: 'Gattis, Loyd'
Subject: RE: Seaside Dollar subpoena - Gattis contact info

Hi, Loyd,

Sure. FYI, I am not free until after 12p eastern time (which maybe works anyway with the time difference or so).

And yes agreed on the below re: subject to defenses / nothing is waived by our discussions.

Thanks,
Justin

From: Gattis, Loyd [mailto:LGattis@spencerfane.com]
Sent: Monday, March 10, 2014 3:34 PM
To: Justin Kolber
Subject: RE: Seaside Dollar subpoena - Gattis contact info

Thanks, Justin. I'm in the middle of a mediation right now, so it likely will be tomorrow morning before I can call you. To facilitate our discussion, will you confirm that nothing we discuss (on that call or subsequently, unless we explicitly agree otherwise) will waive or otherwise impair any of my client's defenses (including but not limited to its immunity defense)?
Loyd

From: Justin Kolber [jkolber@atg.state.vt.us]
Sent: Monday, March 10, 2014 1:12 PM
To: Gattis, Loyd
Subject: RE: Seaside Dollar subpoena - Gattis contact info

Hi, Loyd,

I thought I'd sketch out the parameters for settlement / liability, so your client can weigh its options:

1. If under 25 loans, agree to:
 - a. injunction of ceasing/cancelling current loans;
 - b. injunction of no future loans without state law compliance;
 - c. refund all interest + fees to the consumer (company keeps principal); and
 - d. pay \$5K total penalty to VT.
2. If 25-50 loans, same plus \$7,500 penalty.
3. If 50-100 loans, same plus \$10K.
4. If over 100 loans, same plus \$20K penalty (\$10K for unlicensed lending and \$10K for usury violation).

Under 9 V.S.A. sec. 50(b), lenders have to forfeit all interest and fees, and half the principal for any loan that exceeds our interest cap. For a prompt settlement, we would forego seeking half the principal. Under 8 V.S.A. sec. 2215(d), unlicensed lenders have to forfeit all interest and fees.

If we end up litigating, we would seek full restitution of all amounts collected (all principal, interest, and fees), based on 9 V.S.A. sec. 50(b), 8 V.S.A. 2215, and the Consumer Protection Act, plus substantial penalties (\$10K for each loan), and

our attorney fees/costs. Also, we have a criminal usury penalty allowing up to 6 months imprisonment (see 9 V.S.A. sec. 50(c)). Our litigation would also seek liability against the individual officers involved.

As to tribal immunity, we are comfortable taking on those arguments in litigation if need be. As to settlement precedent, as you may know, West Virginia has entered into several settlements with lending entities that otherwise assert tribal immunity (the Miami Nation tribe and Santee Sioux tribe, both operating various online lending sites), so there is precedent for us to agree on an outcome without waiving your clients' rights to assert tribal sovereignty in other states or proceedings.

As I mentioned, if your client is a small lender, under 50 loans or so, and the tribe is doing the lending, I can probably work with you even more on the terms of #1-2 above.

I strongly suggest your client provide the vary narrow requests of: (1) identify payment processors; and (2) number of VT loans. The rest of the subpoena we can agree to postpone for 3 weeks. We can also agree that providing this does not waive any defenses to the subpoena, litigation, settlement, etc. Frankly, all that info does is help us decide what to prioritize and helps your client. I can tell you it would not be a good use of both sides' time if we end up litigating all of the significant issues only to find out Seaside Dollar made 5 loans. I can tell you I've had this experience with another lender. They produced the very limited information I requested, subject to reserving their defenses (via formal letter). We did not end up in formal action (it's still being discussed, but appears to be resolvable soon – and if it's not, they will raise their defenses, and there's been no harm to their interests).

If you'd like to discuss, I am around now until 2:45, and between 4-5 pm today, east coast times. If you call today, please use 802-779-3901 (working from home). Tomorrow I am generally free in the afternoon (office number below).

Thanks,
Justin

Justin Kolber
Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions
109 State Street
Montpelier, VT 05609
(802) 828-5620
jkolber@atg.state.vt.us

From: Gattis, Loyd [<mailto:LGattis@spencerfane.com>]
Sent: Friday, March 07, 2014 5:55 PM
To: Justin Kolber
Subject: Seaside Dollar subpoena - Gattis contact info

Justin,

As we discussed, here's my contact information. Please send me the NY decision you mentioned, and I'll wait to hear from you on Monday with more information about your position. Please note that I'll be in a mediation during Monday afternoon, so my availability then will be limited.

Thanks,
Loyd

SPENCER FANE
BRITT & BROWNE LLP
Attorneys & Counselors at Law

Loyd Gattis
Attorney at Law

1000 Walnut Street, Suite 1400
Kansas City, MO 64106-6214

lgattis@spencerfane.com
Add me to your address book

tel: (816) 292-8357
fax: (816) 474-3216



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From: Justin Kolber
Sent: Monday, April 07, 2014 2:28 PM
To: 'Alex Lozada'
Subject: RE: Silver Cloud follow-up

Correct, that's our best combined availability, although my office (AGO) could probably do earlier on 4/16 if needed (so that the combined State of Vermont could make any time 4/16 after 10:30a work). And yes all day Friday 4/18 for all of us.

Thursday is a low-level possibility if it comes to that, but not in the mix right now.

From: Alex Lozada [mailto:ALozada@rosettela.com]
Sent: Monday, April 07, 2014 2:25 PM
To: Justin Kolber
Subject: RE: Silver Cloud follow-up

Hi Justin,

Thanks for letting me know. Just to confirm, does this mean that your office's (and DFS' availability) would only be Wednesday 4/16 from 1-4 p.m. and all day on Friday?

Alex Lozada
Rosette, LLP
Attorneys at Law
193 Blue Ravine – Suite 255
Folsom, CA 95630
916.353.1084 – Office
916.353.1085 – Fax
480.243.6513 – Cell
alozada@rosettela.com



From: Justin Kolber [mailto:jkolber@atg.state.vt.us]
Sent: Monday, April 07, 2014 11:19 AM
To: Alex Lozada
Subject: RE: Silver Cloud follow-up

Hi, Alex,

Great. In furtherance, our DFR folks have confirmed their schedules are currently open for: Wednesday 4/16 after 10:30am, or all day Friday 4/18.

Thanks,
Justin

From: Alex Lozada [mailto:ALozada@rosettela.com]
Sent: Friday, April 04, 2014 7:02 PM
To: Justin Kolber
Subject: RE: Silver Cloud follow-up

Hi Justin,

Thanks for getting back to me. I will circle back with tribal leadership to see whether they are available on those dates and will let you know our availability as soon as possible.

Alex Lozada

Rosette, LLP

Attorneys at Law

193 Blue Ravine – Suite 255

Folsom, CA 95630

916.353.1084 – Office

916.353.1085 – Fax

480.243.6513 – Cell

alozada@rosettela.com



From: Justin Kolber [<mailto:jkolber@atg.state.vt.us>]

Sent: Friday, April 04, 2014 1:50 PM

To: Alex Lozada

Subject: RE: Silver Cloud follow-up

Hi, Alex,

I've spoken with my office and we would be glad to meet, to discuss a mutual path forward on lending issues. Right now, our availability is Wed 4/16, 1-4pm; Friday 4/18 all day; and possibly Thursday 4/17 all day.

I believe we would want our Department of Financial Regulation (DFR) folks there as well; DFR is the state agency that supervises lenders, and has the administrative expertise in this area. I'm confirming with their calendars, so please bear with me.

Let me know and we can finalize arrangements.

Thanks,
Justin

Justin Kolber
Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions
109 State Street
Montpelier, VT 05609
(802) 828-5620
jkolber@atg.state.vt.us

From: Alex Lozada [<mailto:ALozada@rosettela.com>]

Sent: Friday, March 28, 2014 7:23 PM

To: Justin Kolber

Subject: RE: Silver Cloud follow-up

Justin,

Thank you for speaking with me earlier today. I received a preliminary estimate of our loan activity and can confirm it is low—I can provide more information early next week. Yes, we would be interested in scheduling an in-person meeting

to discuss a working relationship. Do you know which days your office would be free? We would be available to meet during the third week of April.

Alex Lozada
Rosette, LLP
Attorneys at Law
193 Blue Ravine – Suite 255
Folsom, CA 95630
916.353.1084 – Office
916.353.1085 – Fax
480.243.6513 – Cell
alozada@rosettela.com



From: Justin Kolber [<mailto:jkolber@atg.state.vt.us>]
Sent: Friday, March 28, 2014 2:01 PM
To: Alex Lozada
Subject: Silver Cloud follow-up

Hi, Alex,

I appreciate our conversation today.

As to the consumer complaint, I apologize, I didn't see that there was a response letter from you in the file. It looks like the consumer's account was closed with no outstanding amounts owed. In general, we still believe in obtaining restitution for consumers for loans that do not comply with Vermont law, and we generally pursue lenders notwithstanding the resolution of a particular complaint. However, given the role of tribal entities in lending, we appreciate that there's an added layer to consider.

If you can confirm the universe of loans (or dollars) in Vermont by your client, and assuming it is relatively small, we may be able to agree to postpone our investigation for now, and discuss a working relationship. To that end, I'll speak with my office. To clarify, would you be coming to Vermont for an in-person meeting?

Thanks,
Justin

Justin Kolber
Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions
109 State Street
Montpelier, VT 05609
(802) 828-5620
jkolber@atg.state.vt.us

From: Justin Kolber
Sent: Thursday, March 13, 2014 11:24 AM
To: 'Alex Lozada'
Subject: RE: Subpoena
Attachments: Silver Cloud Financial CID.doc

Hi, Alex,

Sure, that is fine. There is no case number, but reference is to "In re: Silver Cloud Financial"

Thanks,
Justin

From: Alex Lozada [mailto:ALozada@rosettela.com]
Sent: Thursday, March 13, 2014 11:20 AM
To: Justin Kolber
Subject: Subpoena

Mr. Kolber,

Thank you for speaking with me the other day regarding the subpoena sent to Silver Cloud Financial. I would appreciate another day to prepare our response and the accompanying documents, which will be sent to you both via email and certified mail.

I noted that the subpoena does not list a case name and number. Can you provide me with this information?

Alex Lozada
Rosette, LLP
Attorneys at Law
193 Blue Ravine – Suite 255
Folsom, CA 95630
916.353.1084 – Office
916.353.1085 – Fax
480.243.6513 – Cell
alozada@rosettela.com



**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.

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 _____ 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

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: _____

From: Kolber, Justin
Sent: Friday, September 26, 2014 10:27 AM
To: 'Saba Bazzazieh'; 'Alex Lozada'
Subject: RE: Vermont Offer re: NAFSA lenders

Hi, Saba,

My office has requested that we set a firm timeline for the next steps. We need to prepare our strategy going forward. Please have a response by November 1st on whether NAFSA wishes to engage in the proposals we outlined. That should be adequate time since July 28th.

Thanks,
Justin

Justin Kolber
Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions
109 State Street
Montpelier, VT 05609
(802) 828-5620
justin.kolber@state.vt.us

From: Saba Bazzazieh [mailto:sbazzazieh@rosettela.com]
Sent: Friday, September 05, 2014 6:30 PM
To: Kolber, Justin; Alex Lozada
Subject: RE: Vermont Offer re: NAFSA lenders

Justin –

Thank you for your email. NAFSA is in receipt of your July 28th letter and is in the process of reviewing the proposal set forth therein. As there are many tribal nations that are members of NAFSA, the internal review process may take some time, but once completed, NAFSA will respond in a written correspondence to your office.

Thank you,

Saba Bazzazieh
Rosette, LLP
Attorneys at Law
325 7th Street, NW, Suite 400
Washington, DC 20004
Mobile: (480) 240-0238
Office: (202) 567-2941
Fax: (202) 393-7887
sbazzazieh@rosettela.com
www.rosettela.com

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From: Kolber, Justin [<mailto:justin.kolber@state.vt.us>]
Sent: Wednesday, September 03, 2014 4:01 PM
To: Alex Lozada
Cc: Saba Bazzazieh
Subject: RE: Vermont Offer re: NAFSA lenders

Hi, Alex,

I just wanted to check in on the below. Please advise.

Thanks,
Justin

From: Kolber, Justin
Sent: Monday, July 28, 2014 10:54 AM
To: Alex Lozada (ALozada@rosettelaw.com)
Subject: Vermont Offer re: NAFSA lenders

Hi, Alex,

I apologize for the delay in getting this out, but attached is our offer of resolution for the lenders we discussed. I am hopeful we can work this out.

Thanks,
Justin

Justin Kolber
Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions
109 State Street
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justin.kolber@state.vt.us

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(802) 828-5620
justin.kolber@state.vt.us

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Office: (202) 567-2941
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Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions
109 State Street
Montpelier, VT 05609
(802) 828-5620
justin.kolber@state.vt.us

From: Justin Kolber
Sent: Wednesday, May 14, 2014 1:56 PM
To: 'Alex Lozada'
Subject: RE: VT List

Hi Alex,

Thanks for reaching out. Yes my office still would like to pursue the resolution we discussed. I have it on my plate to draft a letter outlining it, but it may take a little longer. I will be in touch soon.

Thanks,
Justin

From: Alex Lozada [mailto:ALozada@rosettela.com]
Sent: Tuesday, May 13, 2014 9:14 AM
To: Justin Kolber
Subject: RE: VT List

Hi Justin,

Thank you again for your efforts to reach a resolution the other week, given the time frame you were working with. I write to follow up and see whether you have any information with regard to further resolution of the issues we discussed below.

Alex Lozada
Rosette, LLP
Attorneys at Law
193 Blue Ravine – Suite 255
Folsom, CA 95630
916.353.1084 – Office
916.353.1085 – Fax
480.243.6513 – Cell
alozada@rosettela.com



From: Justin Kolber [mailto:jkolber@atg.state.vt.us]
Sent: Friday, April 25, 2014 11:34 AM
To: Saba Bazzazieh
Cc: Alex Lozada; Rob Rosette
Subject: RE: VT List

Hi, Saba,

“Unlicensed” is just the general category and does it refer to Vermont licensing. In addition to the length of wording, we can’t make that change because that would sweep in lots of other bad actors (most of the 70 or so on our list) would then get a much-watered down designation that they don’t frankly deserve. I thought the introduction at the very top makes clear the tribes have their position to be exempt from all VT laws. But we still need a one-word designation for the category, and we were willing to go from “illegal” to “unlicensed” to accommodate just your clients. Any more would be over-inclusive.

Hope that makes sense, and so we'll go ahead and make those changes. And yes look forward to working together further (just a note, my letter will be the week of May 5th, not the actual day – I'll need some time upon my return).

Thanks again,
Justin

From: Saba Bazzazieh [<mailto:sbazzazieh@rosettela.com>]
Sent: Friday, April 25, 2014 1:54 PM
To: Justin Kolber
Cc: Alex Lozada; Rob Rosette
Subject: RE: VT List

Justin:

Thank you for your time this morning and for considering our clients' request. We conferred with our clients and find your proposal to be both fair and reasonable. We have one suggested modification: instead of changing the category to "unlicensed" would it be possible to simply state that these entities do not maintain a Vermont license? This, from our perspective, would be more accurate since the tribal entities are licensed pursuant to tribal law.

Thank you for your good faith effort to move toward a resolution. We look forward to receiving your May 5th correspondence.

Thanks,

Saba Bazzazieh
Rosette, LLP
Attorneys at Law
325 7th Street, NW, Suite 400
Washington, DC 20004
Mobile: (480) 240-0238
Office: (202) 567-2941
Fax: (202) 393-7887
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Begin forwarded message:

From: Justin Kolber <jkolber@atg.state.vt.us>
Date: April 25, 2014 at 8:02:33 AM PDT
To: <ALozada@rosettela.com>
Subject: VT List

Hi, Alex,

I am having a difficult time resolving your request, particularly because of the timeframe. Wendy (our consumer chief who you met) does not have a lot of time today and wants to consider this more

thoughtfully (since we'd be changing our list and website on such short notice). That said, I was able to get the following modifications.

First, changing "illegal" to unlicensed. This now softens the tone, and is factually true. Your clients do not have a VT license (whether they need one can be debated, and your clients are able to explain why they believe they are exempt). So **this** becomes "unlicensed" on our website and in the actual list.

- [Letter](#) to 81 known **illegal** lenders: demanding compliance with VT law
[List](#) of all known **illegal** lenders and contact information

Second, re-categorizing your clients on the list as claiming an exemption from VT law and acknowledging that they operate in compliance with all applicable tribal and federal laws. And excluding them from the "total list" at the bottom. See attached PDF.

This was the best I could come up with on short notice, given my vacation starting today at 3pm, and the short notice for my chief to review the request. I believe this shows our good faith and if we reach the resolution we've been discussing, we would of course remove the list and have an announcement of cooperative resolution. To that end, I would like to propose that our office send a letter outlining our exact suggestion for a resolution and then we discuss. I would plan to send the letter the week of May 5th.

Please let me know ASAP (before 2:30pm EST), and I will update our website and the list.

Thanks,
Justin

Justin Kolber
Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions
109 State Street
Montpelier, VT 05609
(802) 828-5620
jkolber@atg.state.vt.us

From: Justin Kolber
Sent: Friday, April 25, 2014 2:51 PM
To: 'Saba Bazzazieh'
Subject: RE: VT List
Attachments: Vermont Unlicensed Lender List April 2014 (updated 4-25-14).pdf

Our IT dept just told me sometimes internet explorer doesn't update well. Chrome works well. Anyway the new list is up there (also attached)

From: Justin Kolber
Sent: Friday, April 25, 2014 2:38 PM
To: 'Saba Bazzazieh'
Subject: RE: VT List

<http://www.atg.state.vt.us/assets/files/Vermont%20Unlicensed%20Lender%20List%20April%202014.pdf>

From: Justin Kolber
Sent: Friday, April 25, 2014 2:34 PM
To: Saba Bazzazieh
Cc: Alex Lozada; Rob Rosette
Subject: RE: VT List

Hi, Saba,

"Unlicensed" is just the general category and does it refer to Vermont licensing. In addition to the length of wording, we can't make that change because that would sweep in lots of other bad actors (most of the 70 or so on our list) would then get a much-watered down designation that they don't frankly deserve. I thought the introduction at the very top makes clear the tribes have their position to be exempt from all VT laws. But we still need a one-word designation for the category, and we were willing to go from "illegal" to "unlicensed" to accommodate just your clients. Any more would be over-inclusive.

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Thanks again,
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From: Saba Bazzazieh [<mailto:sbazzazieh@rosettela.com>]
Sent: Friday, April 25, 2014 1:54 PM
To: Justin Kolber
Cc: Alex Lozada; Rob Rosette
Subject: RE: VT List

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Environmental and Public Protection Divisions
109 State Street
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(802) 828-5620
jkolber@atg.state.vt.us

Vermont Unlicensed Lender List - April 2014

A **green*** asterisk represents an acknowledgement that such lenders claim exemption from Vermont lending laws based on lawful operation of a tribal lending enterprise in full compliance with all applicable tribal and federal lending laws.

| Number | Company Name | Registered Agent and/or Contact Info |
|--------|---|--|
| 1 | A-1 Premium Budget, Inc. | 3422 Old Capitol Trail, Suite 1109 Wilmington, DE 19808 302-636-7581 |
| | d/b/a Cash in a Wink | |
| 2 | AALM Consulting Services, Ltd. | 35 Barrack Road, Suite 301 Belize City, Belize |
| | d/b/a Multiloan Source | |
| 3 | ABCWages.com | 3755 John J Montgomery Dr, San Diego , CA 92123 Phone: (855) 208-8181 |
| 4 | American Web Loan, Inc. Affiliated with Otoe-Missouria Tribe and Great Plains Lending, LLC | 522 North 14th St., Box 130 Ponca City, OK 74601 877-636-1353 see also: customerservice@americanwebloan.com |
| * | | |
| 5 | Apollo Marketing | 8735 Rosehill Rd, Suite 400 Lenexa, KS 66215 954-537-0992 |
| | d/b/a Officialpaydayloans.com | |
| 6 | Avantis Financial, LLC | 101 North Main Ave #220 Sioux Falls, SD 57104 605-444-8012 |
| 7 | Bear Paw Finance Affiliated with Chippewa Cree Tribe | 93 Mack Road, Suite 600 (P.O. Box 255) Box Elder, MT 59521 406-352-3380 |
| | d/b/a Plain Green Loans | |
| 8 | Big Eye Lending | PO Box 636 Finley, CA 95435 |
| * | | |

| Number | Company Name | Registered Agent and/or Contact Info |
|--------|--|--|
| 9 | <p>Blue Chip Financial Affiliated with Turtle Mountain Band of Chippewa Indians</p> | <p>728 B Ogden Avenue Downers Grove, IL 60515 630-598-0620</p> |
| | d/b/a Spotloan.com | |
| 10 | <p>Blue Sky Finance, LLC</p> | <p>33 N Main Street, Suite 201 Logan, UT 84321-5569</p> <p>PO Box 528 Hays, MT 59527</p> |
| | d/b/a/ Extrafunds.com, LLC | |
| 11 | <p>Blue Star Results, Inc.</p> | <p>2825 E. Cottonwood Parkway, Suite 500 Salt Lake City, UT 84121</p> |
| 12 | <p>BS Financial, Inc.</p> | <p>1840 Southwest 22nd Street, Suite 4-633 Miami, FL 33145</p> |
| | d/b/a Payday Accelerated | |
| | <p>Canyon Creek Management, LLC</p> | <p>1201 Buddy Drive Austin, TX 78756</p> <p>see also: http://www.online-payday-loans.org/contact-info/canyon-creek-llc/</p> |
| 14 | <p>Cash Cure, LLC</p> | <p>901 North Market Street, Suite 1109 Wilmington, DE 19801 877-591-5175</p> |
| | | |

| Number | Company Name | Registered Agent and/or Contact Info |
|--------|--|---|
| 15 | Cash Jar | <p>PO Box 025250, #15050 Miami, FL 33102-5250</p> <p>PO Box 1639 Belize City, Belize Central America</p> <p>see also: http://www.online-payday-loans.org/contact-info/cash-jar/</p> |
| | | |
| 16 | Cash Supply | <p>PO Box 66738 #15050 St. Louis, MO 63166-6738</p> |
| | | |
| 17 | Cash Web | <p>187 Oyate Circle Lower Brule, SD 57548</p> |
| | | |
| 18 | <p>CashCall, Inc. Affiliated with Delbert Corporation</p> | <p>1600 South Douglass Road Anaheim, CA 92806 866-899-6644</p> |
| | (see also Western Sky) | |
| | | |
| 19 | Cashlink USA | <p>National Registered Agents, Inc. 433 Paseo DePeralto Sante Fe, NM 87501</p> |
| | | |
| 20 | Check Express.com, Inc. | <p>Tom Felt, President Nevada State Corporate Network, Inc. 777 N Rainbow Boulevard, Suite 250 Las Vegas, NV 89107</p> <p>13989 Broadway Alden, NY 14004</p> |
| | | |
| 21 | County Check Services | <p>655 Pullman Avenue Rochester, NY 14615 888-550-3088</p> |
| | | |

| Number | Company Name | Registered Agent and/or Contact Info |
|--------|--|--|
| 22 | <p align="center">DJR Group, LLC Affiliated with SSM Group, LLC</p> | <p align="center">2 E Gregory Boulevard Kansas City, MO 64114-1118 see also: http://www.online-payday-loans.org/contact-info/djr-group-llc/</p> |
| | d/b/a/ Hydra Fund III | |
| 23 | <p align="center">East Side Lenders, LLC</p> | <p align="center">Incorp Services, Inc. One Commerce Center 1201 Orange Street, #600 Wilmington, DE 19899</p> |
| 24 | <p align="center">Fast & Reliable Cash Advance, LLC</p> | <p align="center">32 West 200 South, #415 Salt Lake City, UT 89101 110 West 9th Street, Suite 946 Wilmington, DE 19801</p> |
| 25 | <p align="center">FastCash</p> | <p align="center">907 US Hwy 280 Bypass Phoenix City, AL 36867 407-309-3133</p> |
| 26 | <p align="center">Fastloan4me.com</p> | <p align="center">PO Box 3540 Silver Springs, NV 89429-3540</p> |
| | d/b/a/ FastLoanFast.com | |
| | d/b/a/ Loan4utoday.com | |
| 27 | <p align="center">Frontier Financial Group</p> | <p align="center">631 North Stephanie Street, #419 Henderson, NV 89014</p> |
| 28 | <p align="center">Global Payday Loan, LLC</p> | <p align="center">PO Box 572037 Murray, UT 84157-2037</p> |
| | d/b/a/ Payday Loan Yes | |

Vermont Unlicensed Lender List - last updated April 25, 2014

| Number | Company Name | Registered Agent and/or Contact Info |
|--------|--|---|
| 29 | Goldline Funding Group, LLC | Gautam Jayaswal 8315 West 119th Terrace Overland Park, KS 66213 |
| | | |
| 30 | Government Employees Credit Center, Inc. (GECC) | 750 Shipyard Drive, Suite 200 Wilmington, DE 19801 300 Creek View Road Newark, DE |
| | d/b/a Cash Direct Express | |
| | | |
| 31 | H W Capital, LLC | 275 Northpoints Parkway Buffalo, NY 14228-1895 |
| | | |
| 32 | Instant Cash | Linda Edwards 320 North Academy Boulevard, Suite 301B Colorado Springs, CO 80909 |
| | | |
| 33 | Instant Holdings, LLC | 790 West Sam Houston Pkwy N. Suite 202 Houston, TX 77024 |
| | | |
| 34 | Integra Financial Services | C. Keith Rooker PLLC 1480 Snow Berry Street Park City, UT 84098 435-649-7799 Mobile: 702-521-2703 Email: krooker@rookerlaw.com |
| | d/b/a/ Impact Financial Services | |
| | | |
| 35 | Jupiter Funding Group, LLC | 3511 Silverside Road, Suite 105 Wilmington, DE 19810 |
| | | |

Vermont Unlicensed Lender List - last updated April 25, 2014

| Number | Company Name | Registered Agent and/or Contact Info |
|--------|--|---|
| 36 | La Posta Band of Mission Indians (La Posta Tribal Lending Enterprises) | 8 1/2 Crestwood Road Boulevard, CA 91905 619-478-2113 |
| * | d/b/a Gentle Breeze gentlebreezeonline.com | |
| * | d/b/a Harvest Moon Loans | |
| | | |
| 37 | LLS America, LLC | 90 West 500 South Suite 2001 Bountiful, UT 84010 |
| | | |
| 38 | Loan Point USA | Geneva Roth Ventures 1338 Foothill Drive, Suite 325 PMB Salt Lake City, UT 84108-2321 6950 West 56th Street Mission, KS 66202 |
| | | |
| 39 | Mambo Cash | Edificio Conhotel, Oficina #1, Sabana Norte, San Jose, Costa Rica |
| | | |
| 40 | Mars Funding, Inc. | 16901 Judy Scholl Way, Round Rock, TX 78681 |
| | | |
| 41 | Mb Marketing, LLC | 1521 Concord Pike, #301 Wilmington, DE 19803 888-680-0647 |
| | | |
| 42 | Mercury Red, Inc. d/b/a QXL online | 726 Yorklyn Rd. Suite 150 Hockessin, DE 19707 866-507-6911 www.qxlonline.com |
| | | |

| Number | Company Name | Registered Agent and/or Contact Info |
|--------|--|--|
| 43 | Mesa Financial, L.C. | Robert W. Allen 3320 Mesa Way Lawrence, KS 66049 3120 Mesa Way Lawrence, KS 66049 |
| 44 | Miami Nation Enterprise Affiliated with MNE Services, Inc.; Tribal Financial Services; and Miami Tribe of Oklahoma | PO Box 1525 Miami, OK 74354 PO Box 111 Miami, OK 74355 3531 P Street NW Miami, OK 74354 |
| | d/b/a/ Advance Cash Services | |
| | d/b/a/ Ameriloan | |
| | d/b/a/ Cash Advance | |
| | d/b/a/ US Fast Cash | |
| | d/b/a/ United Cash Loans | |
| | | |
| 45 | Mobilans LLC | PO Box 1409 Marksville, LA 71351 |
| | Affiliated with Tunica-Biloxi Tribe of Louisiana | 151 Melacon Drive Marksville, LA 71351 |
| 46 | Money and More | 4170 East Florida Avenue Hemet, CA 92545 1131 Beaumont Avenue Beaumont, CA 92223 1320 S San Jacinto Avenue, Suite 6 San Jacinto, CA 92583 |
| 47 | Mount Sion Investment Holdings & Venture | 2180 East 4500 Street, #150N Holladay, UT 84117 |

| Number | Company Name | Registered Agent and/or Contact Info |
|--------|--|---|
| 48 | Mountain Top Services, LLC (website down) | 5940 South Rainbow Boulevard Las Vegas, NV 89118 |
| | d/b/a/ Mountain Lake Services, LLC | |
| | d/b/a/ Mountain Top Services I, LLC | |
| 49 | MTE Financial Services Affiliated with ModucTribal Enterprises | 515 G St SE or 418 G SE Miami, OK 74355 |
| | d/b/a/ 1000PaydayCash.com | |
| | d/b/a/ 500 Fast Cash | |
| | d/b/a/ Nofaxingpaydayloan.com | |
| | d/b/a/ PaycheckToday.com | |
| | d/b/a/ Quickestpaydayloan.com | |
| | d/b/a/ Rio Resources | |
| | d/b/a/ Xtra Cash | |
| 50 | National Pay Day Loan | PO Box 332 Talmage, CA 95481 see also: http://www.online-payday-loans.org/contact-info/national-pdl/ |
| | d/b/a/ Tribal Lending Enterprise | |
| 51 | Native West Electronics, LLC | 1608 South Ashland Avenue, #62045 Chicago, IL 60608-2013 |
| 52 | Net CashUSA | 314 North Riverside Drive Española, NM 87532 |
| 53 | NHcash.Com, LLC | Steven Mello 43 Briar Road Bedford, NH 03110 |
| 54 | Northcrest Ventures, Inc. | 232 Philadelphia Pike Suite 2 Wilmington, DE 19809 |

| Number | Company Name | Registered Agent and/or Contact Info |
|--------|--|---|
| 55 | PanAm Cash | C/O Loren Cook & Associates, Ltd, LLP 14525 SW Millikan Way, #23865 Beaverton, OR 97005-2343 |
| 56 | Pay Advance, LLC | 5000 Parkway Calabasas, Suite 203 Calabasas, CA 91302 Aves. 8-10, Calle 29, #854 Los Yoses, Costa Rica |
| | d/b/a/ Payadvance.com | |
| 57 | Pay Day Max, Ltd | 207-1425 Marine Drive West Vancouver, BC V7T 1B9 |
| 58 | Payday Magic-net | 425 Washington Street Suite 3, #104 Claremont, NH 03743 |
| | d/b/a/ USA Pay Day Loans | |
| 59 | PayDay Select of Delaware, LLC | Corporation Service Company 2711 Centerville Road, Suite 400 Wilmington, DE 19808 |
| | d/b/a Sparkloans.com | |
| 60 | PayDay Solutions | www.paydaysolutions.com support@paydaysolutions.com |
| 61 | PBT Loan Services, LLC Affiliated with BS Financial, Inc.; and PBT Decision Solutions, Inc. | 2202 North Westshore Boulevard, Suite 200 Tampa, FL 33607 |
| | d/b/a/ Payday Accelerated | |
| 62 | PD Mobi | 427 North Tatnall Street, #91008 Wilmington, DE 19803-2230 PO Box 665 Bridge Chambers, West Quay Ramsey, Isle of Man IM99 4PD |
| | d/b/a/ Payday Mobility | |

| Number | Company Name | Registered Agent and/or Contact Info |
|--------|--|---|
| 63 | PDL Support, LLC | PO Box 7826 Overland Park, KS 66207 FC Missouri Services, Inc. 8518 North Palmer Court Kansas City, MO 64157 PO Box 636 Charlestown Nevis, West Indies 866-598-1100 |
| | d/b/a/ VIP Loan Shop | |
| | d/b/a/ Bottom Dollar Payday | |
| | | |
| 64 | Quickest Payday Loan | 3813 Bass Street Fairmont, NE 68354 |
| | | |
| 65 | Red Rock Tribal Lending, LLC Affiliated with Lac Vieux Desert Band of Lake Superior Chippewa Tribe | PO Box 704 [or Box 249] Watersmeet, MI 49969 fax: 906-358-4785 |
| * | d/b/a Castlepayday.com | |
| | | |
| 66 | RS Financial Lending Services, LLC Affiliated with Sovereign Lending Solutions, LLC | 160 Greentree Drive, Suite 101 Dover, DE 19904 PO Box 477 Boca Raton, FL 33429 |
| | d/b/a/ Title Loan America | |
| | | |
| 67 | Seaside Dollar | PO Box 2391 Minneapolis, MN 55402-0391 |
| | | |
| 68 | SFS, Inc. Affiliated with the Santee Sioux Nation of Nebraska | 52946 Highway 12, Suite 3 Niobrara, NE 68760 800-230-3266 |
| | d/b/a/ Preferred Cash Loans.com | |
| | d/b/a/ One Click Cash | |

| Number | Company Name | Registered Agent and/or Contact Info |
|--------|--|---|
| 69 | Sigma Solutions, LLC | 2180 South 1300 East, Suite 650 Salt Lake City, UT 84106 |
| | | |
| 70 | Silver Cloud Financial Affiliated with Habematolel Pomo Tribe of Upper Lake, CA; Golden Valley Lending | 635 C East Highway 20 Upper Lake, CA 95485 |
| * | d/b/a/ USA Money Shop | |
| | | |
| 71 | Speedee Cash | 3018 Airport Boulevard Mobile, AL 36606 |
| | | |
| 72 | Spektrum Online, LLC | 9980 South 300 West, Suite 200 Sandy, UT 84070-3654 |
| | | |
| 73 | St. Armands Group, LLC | PO Box 411056 Kansas City, MO 64141 |
| | | |
| 74 | Sure Advance, LLC | Legal Services, LLC 1220 North Market Street, Suite 806 Wilmington, DE 19801 750 Shipyard Drive, Suite 213 Wilmington, DE 19801 |
| | | |
| 75 | Tribal CreditLine | PO Box 485 Talmage, CA 95481 |
| | | |
| 76 | United Cash Loan Affiliated with Insight Capital, LLC d/b/a Easy Money | Bill Smith (Owner) 2168 Green Springs Highway Birmingham, AL 35205 |
| | | |
| 77 | Upfront Payday Loan, LLC | 223 W Bulldog Boulevard, # 529 PMB Provo, UT 84604-2546 |
| | d/b/a/ Upfront Cash | |
| | | |

| Number | Company Name | Registered Agent and/or Contact Info |
|--|---|--|
| 78 | USA Cash Advance | 7953 Mall Road Florence, KY 41042-1438 see also: http://www.usacashadvance.com/ |
| 79 | Valley Financial Inc. | 420 Folsom Rd Ste A Roseville, CA 95678 |
| 80 | Western Sky Financial, LLC Affiliated with Payday Financial, LLC; WS Funding LLC; and Delbert Corporation | Martin "Butch" Webb PO Box 128 or 370 Timberlake, SD 57656 |
| 81 | Zarvad III, Ltd | Roxana Lao Mendez 2274 South 1300 East, #G8-283 Salt Lake City, UT 84106 |
| | d/b/a/ Mypaydayloan.com | |
| Total Unlicensed Lenders in Vermont = 76* [* excluding 5 tribal lenders] | | |

From: Kolber, Justin
Sent: Monday, July 28, 2014 10:54 AM
To: 'Alex Lozada (ALozada@rosettela.com)'
Subject: Vermont Offer re: NAFSA lenders
Attachments: AAG Kolber Letter to NAFSA 07 28 14.pdf

Hi, Alex,

I apologize for the delay in getting this out, but attached is our offer of resolution for the lenders we discussed. I am hopeful we can work this out.

Thanks,
Justin

Justin Kolber
Assistant Attorney General
Vermont Attorney General's Office
Environmental and Public Protection Divisions
109 State Street
Montpelier, VT 05609
(802) 828-5620
justin.kolber@state.vt.us

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.¹ 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.² That said, we recognize and appreciate

¹ 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).

² 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,



Justin Kolber
Assistant Attorney General

From: Alex Lozada <ALozada@rosettela.com>
Sent: Friday, April 11, 2014 8:19 AM
To: Kolber, Justin
Subject: Vermont resident consumer complaints
Attachments: 2014 04 11 Vermont MOU.docx; 2014 03 19 - NAFSA Model Code.pdf; NAFSA Sovereign Nation Lending.pdf; NAFSA Self Reliance 8 21 13.pdf

Hi Justin,

During our last conversation, I mentioned that I would send documents for your office's review in advance of our meeting next Wednesday. Please find attached a proposed Memorandum of Understanding between Tribes and the Vermont Department of Financial Regulation, and a draft NAFSA Model Code that NAFSA has been developing for the benefit of its member tribes.

More information about NAFSA can be found at their website, www.mynafsa.org, including statements regarding lending best practices, at www.mynafsa.org/best-practices.

Alex Lozada
Rosette, LLP
Attorneys at Law
193 Blue Ravine – Suite 255
Folsom, CA 95630
916.353.1084 – Office
916.353.1085 – Fax
480.243.6513 – Cell
alozada@rosettela.com



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into this ____ day of April 2014, by and between the Vermont Department of Financial Regulation, an agency of the State of Vermont, and [Tribe], a federally recognized Indian Tribe.

RECITALS

WHEREAS, [Tribe] is a federally-recognized sovereign Indian tribe, possessing inherent powers of tribal self-governance and self-determination, and pursuant to its inherent sovereign authority and right to self-determination, [Tribe] has established wholly owned tribal businesses (“Tribal Lending Enterprises”) in order to provide online consumer lending services, pursuant to duly enacted tribal laws authorizing the conduct of these business operations; and

WHEREAS, [Tribe] is dedicated to protecting and advocating its Native American sovereign rights and offering responsible online lending products; and

WHEREAS, [Tribe] agrees to be bound by the terms of this MOU between itself and the Department; and

WHEREAS, [Tribe] has duly exercised its sovereign authority by enacting consumer financial services laws and establishing regulatory agencies for the oversight and enforcement of such tribal and applicable federal laws in an effort to regulate the consumer financial services industry on tribal land (“Tribal Lending Regulatory Authority”); and

WHEREAS, the Department enters into this MOU out of respect for the sovereignty of the Tribe; in recognition of the historical fact that Tribal Lending Enterprises have become a revenue-producing activity for Indian tribes in the United States; out of a mutual desire to avoid any litigation between the Tribe and the Department; and to continue the era of tribal-state cooperation in areas of mutual concern between Vermont and tribes; and

WHEREAS, the Department has a legitimate interest in regulating lending activities in Vermont, and [Tribe] and the Department share a joint sovereign interest in ensuring that tribal lending activities are free from criminal and other undesirable elements, including but not limited to ensuring compliance with federal lending laws and protecting Vermont consumers; and

WHEREAS, the Department desires to establish a procedural mechanism to ensure the appropriate disposition of Vermont resident consumer complaints relating to Tribal Lending Enterprises, and [Tribe] desires to voluntarily provide information to the Department regarding its lending practices by establishing a system through which the Department refers consumers to [Tribe’s] Lending Regulatory Authority, which will

process each complaint internally and report outcomes directly to the Department to ensure full transparency with regard to the disposition of said complaints; and

WHEREAS, the Department is not deliberating on, approving, supporting, disapproving, or otherwise exercising judgment regarding the [Tribe's] Lending Enterprises by approving, executing, delivering, and implementing this MOU but, instead, [Tribe] and the Department only desire to facilitate a cooperative and mutually respectful government-to-government relationship between the Department and [Tribe]; and

WHEREAS, this MOU shall serve as evidence of the goodwill and cooperation between [Tribe] and the Department in fostering a mutually respectful government-to-government relationship that will serve the mutual interests of the parties; and

WHEREAS, the MOU is designed and intended to develop and implement a means of ensuring regulation of lending activities by Tribal Lending Enterprises on the tribe's Indian lands to ensure its fair and honest operation in accordance with lending best practices thereby maintaining a high level of integrity in tribal government lending, and through that regulated lending, enable the tribe to develop self-sufficiency, promote tribal economic development, and generate jobs and revenues to support the tribe's government and governmental services and programs.

NOW, THEREFORE, the Parties hereby agree as follows:

I. DEFINITIONS

Terms not defined elsewhere in this MOU shall have the following meanings:

"Department" means the Vermont Department of Financial Regulation and its agencies and subdivisions, an agency of the State of Vermont.

"MOU" means this Memorandum of Understanding, as the same may be amended by mutual written agreement of the Tribe and the Department from time to time.

"Party" means the Department or [Tribe].

"Parties" means the Department and [Tribe].

"State" means the State of Vermont.

"Tribal Lending Enterprise" means a Tribal lending entity that is wholly owned and operated by [Tribe] and formed under the tribe's duly enacted laws. Such entity is engaged in online lending pursuant to tribal law and subject to tribal regulation.

“Tribal Lending Regulatory Authority” means the [Tribe’s] Tribal Lending Regulatory Authority, which independently regulates and oversees the activities of its Tribal Lending Enterprise(s).

“Tribal Regulatory Agent” means an individual who will serve as the primary contact point for purposes of dispute resolution between the Tribal Lending Regulatory Authority and the Department. The Tribal Regulatory Agent will also serve as the primary contact point for purposes of processing all consumer complaints presented to the Tribal Lending Regulatory Authority for the respective Tribal Lending Enterprise.

II. DUTIES AND RESPONSIBILITIES OF [TRIBE]

A. [Tribe] Shall Establish Rules and Regulations for the Operation and Management of the Tribal Lending Operations.

[Tribe] and its respective Tribal Lending Regulatory Authority will voluntarily demonstrate the following to the Department under this MOU:

- (1) [Tribe] has duly enacted tribal lending ordinances, which establish the legal guidelines and regulations under which the tribe may conduct lending activities on its lands, and creates Tribal Regulatory Authorities to independently regulate and oversee the activities of their Tribe’s Lending Enterprise(s). [Tribe] will provide the Department with copies of these tribal lending ordinances. Moreover, these Tribal Regulatory Authorities ensure that each Tribal Lending Enterprise within [Tribe’s] jurisdiction operates under bona fide tribal law and regulations, maintains all applicable licenses, and adheres to all NAFSA Best Practices. A true and correct copy of NAFSA Best Practices is attached hereto as Exhibit 1.
- (2) [Tribe] has duly enacted tribal laws allowing for the formation of Tribal Lending Enterprise(s). Such tribal laws demonstrate that each Tribal Lending Enterprise is wholly owned and operated by [Tribe]. [Tribe] will provide the Department with copies of these Tribal laws.

B. [Tribe] Shall Identify a Tribal Regulatory Agent to the Department.

- (1) The Tribal Regulatory Agent will serve as the primary contact point for receiving and processing all consumer complaints referred by the Department or presented directly to the Tribal Lending Regulatory Authority for the respective Tribal Lending Enterprise.
- (2) Each Tribal Regulatory Agent will serve as the primary contact

point for facilitating and coordinating regular meetings between the Department and the Tribal Lending Regulatory Authority. These regular meetings, which the Department and [Tribe] agree to hold on a quarterly basis, are intended to ensure that the spirit and intent of the MOU is fully carried out.

- (3) The Tribal Regulatory Agent will serve as the primary contact point for purposes of dispute resolution between the Tribal Lending Regulatory Authority and the Department.

C. [Tribe] Shall Resolve Complaints by Vermont Residents.

- (1) After receiving a complaint from a Vermont resident consumer regarding a Tribal Lending Enterprise either directly or through the Department pursuant to a referral under Section III.A, the Tribal Lending Regulatory Authority, which duly regulates and oversees its respective Tribal Lending Enterprise(s), and shares an interest with the Department in ensuring that consumers are not victimized by online lenders, will process the consumer complaints in accordance with the tribe's lending ordinance and regulations, and ensure compliance with all federal lending laws, and NAFSA Best Practices.
- (2) After the Tribal Lending Authority processes a consumer complaint, the Tribal Regulatory Agent will report the outcome directly to the Department in order to ensure full transparency with regard to the disposition of all Vermont consumer complaints.

D. Tribal Lending Enterprises Voluntarily Shall Abide by Federal Laws and Regulations Relevant to Lending.

All Tribal Lending Enterprises voluntarily abide by such federal laws and regulations including, but not limited to: the Truth in Lending Act, the Electronic Fund Transfer Act, the Fair Debt Collection Practices Act, the Fair Credit Reporting Act, the Gramm-Leach-Bliley Act, and the Equal Credit Opportunity Act.

III. DUTIES AND RESPONSIBILITIES OF THE DEPARTMENT

A. Establish a System For the Disposition of Vermont Consumer Complaints.

The Department, in conjunction with [Tribe], agrees to establish a procedural mechanism for the appropriate disposition of all Vermont resident consumer complaints pursuant to this MOU. Under this system, the Department will refer Vermont resident consumers with complaints regarding a Tribal Lending Enterprise to the appropriate Tribal Lending Regulatory Authority, who will resolve the consumer complaint in accordance with the procedures set forth in Section II(C) above.

IV. CONFIDENTIALITY OF SHARED INFORMATION

A. All information obtained by one Party (the Receiving Party) from the other Party (the Disclosing Party) pursuant to this MOU shall remain the property of the Disclosing Party and, to the extent practicable, shall be maintained and identified as such and may not be disclosed, except as permitted in writing by the Disclosing Party voluntarily relinquishing such information. The Receiving Party shall, upon the reasonable request of the Disclosing Party and, to the extent permitted by law, return, destroy, delete, or otherwise dispose of any information as requested by the Disclosing Party.

- (1) Confidentiality Safeguard. Each Party will establish and maintain safeguards to protect the confidentiality of the information provided pursuant to this MOU by:
 - (a) limiting access to the information disclosed under this MOU officers, employees, contractors, and agents who have a need for such information in the performance of their official duties, and informing such persons with access of their responsibilities under the MOU, except where the Disclosing Party consents in writing to further disclosure;
 - (b) establishing appropriate administrative, technical, and physical safeguards to ensure the confidentiality of personally identifiable information.
- (2) Other Requests and Demands. In the event a Party receives any legally enforceable demand or request for disclosed information (including, but not limited to, any judicial or administrative subpoena, court order, discovery request, request by the U.S. Government Accountability Office), or in the event that the Disclosed Party's information is subject to an affirmative disclosure obligation, the Receiving Party shall promptly notify the

Disclosing Party in writing and provide a copy of the demand or request for the information or describe the affirmative disclosure obligation, and, before complying with the request, demand or disclosure obligation, shall:

- (a) consult with the Disclosing Party and afford the Disclosing Party a reasonable opportunity to respond to the demand or request;
- (b) assert all reasonable and appropriate legal exemptions or privileges that the Disclosing Party may reasonably request be asserted on its behalf; and
- (c) consent to an application by the Disclosing Party to intervene in any action or administrative proceeding to preserve, protect, and maintain the confidentiality of the information or any related privilege.

V. EFFECT OF THIS MOU

A. No provision of this MOU is intended to, and no provision of the MOU shall be construed to, limit or otherwise affect the authority of the Department, [Tribe], or [Tribe's] Tribal Regulatory Authorities to administer, implement, or enforce any provision of any law subject to their respective jurisdictions. Moreover, no provision of this MOU is intended to, and no provision of the MOU shall be construed to, limit or otherwise affect the authority of the Tribal Lending Enterprises from carrying out their operations pursuant to tribal law.

B. The Parties agree that sharing of the information pursuant to this MOU will not constitute public disclosure and in no way constitutes an intention to compromise the confidentiality of such information or waive any applicable privilege. The Parties expressly reserve all evidentiary privileges and immunities applicable to the information shared under this MOU.

VI. TERM AND TERMINATION

A. Effective Date. The general effective date of this MOU is the date that it has been signed by both [Tribe] and the Department, the Parties to the MOU, and it will be binding on [Tribe] when ratified by its Tribe's governing body.

B. Termination.

(1) Written Notice Required for Early Termination. This MOU will remain in effect until superseded by a signed, mutual agreement of the Parties. A Party may withdraw from or otherwise terminate its

participation in this MOU no less than thirty (30) days after written notice provided to the other Parties.

(2) Information Retained After Termination of MOU. To the extent that a Party retains information upon termination of this MOU, the confidentiality provisions of this MOU shall survive termination and the information shall continue to be treated in accordance with the terms of this MOU.

(3) Effect of Expiration or Termination. Except as set forth in Section VI.B(2) above, upon the expiration or termination of this MOU, the provisions of this MOU shall be of no further force or effect and none of the provisions of this MOU shall survive termination.

VII. MISCELLANEOUS

A. Severability.

(1) If any provision of this MOU is held by a court of competent jurisdiction to be illegal, invalid, unenforceable, unauthorized, annulled, voided or set aside, under present or future laws, the remaining provisions of this MOU shall remain in full force and effect and shall not be affected by such provision or by its severance from this MOU. In the event of any such determination, the Parties shall enter into good faith negotiations to replace the prohibited or invalid provision with a valid provision, the effect of which comes as close as possible to that of the invalid provision.

(2) In the event that the entire MOU is declared null and void or the actions of the Party or its officials in connection with the approval, execution, or delivery of this MOU are set aside, voided, or annulled, the Parties shall enter into good faith negotiations to negotiate a new agreement.

B. Binding Agreement. This MOU is intended to be, and shall be construed to be, binding upon the Parties and all successors and successors-in-interest of each Party, including, in the case of the Vermont Department of Financial Regulation, future Departments and, in the case of [Tribe], future [Tribal Councils].

C. Notice. All notices required by this MOU will be deemed to have been given when made in writing and delivered or mailed to the respective Party and their representatives at their respective addresses as set forth below, or such other address as they may provide to the other Party from time to time:

For [Tribe]:

[Contact information]

With a copy to:

Rosette, LLP
193 Blue Ravine Rd, Suite 255
Folsom, CA 95630
Telephone: (916) 353-1084
Facsimile: (916) 353-1085
Attention: Robert A. Rosette, Esq.

For the Department of Financial Regulation:

State of Vermont
Department of Financial Regulation
89 Main Street, Montpelier, VT 05620-3101
Telephone: (802) 828-3301

D. Amendments. The Parties may amend this MOU from time to time, provided that such amendments are agreed to in writing by all Parties.

E. Execution. This MOU may be executed in counterparts and by signature sent by facsimile or electronically, each of which shall be deemed an original for all purposes.

F. Construction of MOU. This MOU, together with all Exhibits hereto, constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior negotiations, representations, or other agreements, whether written or oral. In the event of a dispute between or among the Parties as to the language of this MOU or the construction or meaning of any term hereof, this MOU shall be deemed to have been drafted by the Parties in equal parts so that no presumptions or inferences concerning its terms or interpretation may be construed against, or in favor of, any Party based on the preparation or negotiation of this MOU. The headings contained in this MOU are for convenience of reference only and shall not affect the construction or interpretation hereof.

G. Authority. Each Party to this MOU represents and warrants that it has the requisite legal authority to enter into this MOU.

IN WITNESS WHEREOF, the Parties have executed this MOU as of the date first set forth above.

VERMONT DEPARTMENT OF FINANCIAL
REGULATION

Date: _____, 2014

By: _____
Name: _____
Its: _____

[Tribe]

Date: _____, 2014

By: _____
[Tribe]
Chairman

APPROVED AS TO LEGAL FORM BY
LEGAL COUNSEL TO [Tribe]:

Date: _____, 2014

By: _____
Robert A. Rosette, Esq.

MODEL TRIBAL CONSUMER FINANCIAL SERVICES CODE

SECTION 1. FINDINGS, INTENT, AND POLICY

1.1 Findings. The Tribal Council of the [X X X X], the primary governing body of the Tribe, finds that:

(a) The Tribe desires to expedite the development of its economy in order to improve its economic self-sufficiency, to enable it to better serve the social, economic, educational, health, and safety needs of its members and visitors, and to provide its members with opportunities to improve their own economic circumstances.

(b) Tribal operation and licensing of one or more Consumer Financial Services business is a legitimate means of generating revenue to address the aforementioned needs and to pursue the Tribe's sovereign right of self-sufficiency and self-determination.

(c) The Tribe has the legal authority to license and regulate Consumer Financial Services businesses within its jurisdiction.

(d) A properly licensed and regulated Consumer Financial Services industry is consistent with announced federal policy promoting tribal self-government and economic self-sufficiency.

(e) Tribal regulation and control of Consumer Financial Services businesses within the jurisdiction of the Tribe is essential for the protection of the public welfare.

(f) It is essential that the Tribal Council regulate Consumer Financial Services business in a manner commensurate with Tribal law and policy and applicable federal law.

(g) It is essential that public confidence in Consumer Financial Services business that takes place within the Tribe's jurisdiction be maintained.

(h) Adoption of a Tribal Consumer Financial Services Code by the Tribal Council is a necessary condition for the legal operation of Consumer Financial Services within the Tribe's reservation and serves the Tribe's best interests.

(i) The establishment of a Tribal Consumer Financial Services Regulatory Authority to implement the purpose and intent of the Code within the Tribe's reservation serves the Tribe's best interests.

1.2 Intent. The Tribal Council, on behalf of the Tribe, declares that the intent of this Code is to:

(a) Diversify and expedite the development of the economy of the [TRIBE] for the purposes described in section 1.1(a) above.

(b) Define general regulatory powers to be exercised by the Authority in relation to the regulation, control, and oversight of Consumer Financial Services businesses.

(c) Ensure that all Consumer Financial Services business profits are used for the benefit of the Tribe's government and its members and are used to improve the Tribe's economic self-sufficiency, to enable the Tribe to better serve the social, economic, educational, health, and safety needs of its members and visitors, and to provide its members with opportunities to improve their own economic circumstances.

(d) Ensure that Lenders, Vendors, Persons, and borrowers engage in Consumer Financial Services business that remains free from abusive, corrupt, deceptive, unconscionable, unfair, and dishonest practices.

(e) Protect the interests of the public in the offering of Consumer Financial Services.

(f) Ensure the maintenance of public confidence in Consumer Financial Services practices.

(g) Ensure that the Tribe provides a Tribal-based forum for the fair and orderly resolution of Consumer Financial Services disputes.

(h) Ensure that the Code is impartially enforced upon all Persons attempting to offer Consumer Financial Services within the Tribe's jurisdiction.

1.3 Policy.

(a) Tribal Policy of Self-Government. The Tribe is firmly committed to the principle of Tribal self-government. Profits from Consumer Financial Services shall be utilized and expended only for the following purposes:

(1) To fund the Tribe's government operations or programs.

(2) To provide for the public health and general welfare of the Tribe and its members and visitors to the Tribal community.

(3) To promote the Tribe's economic development and self-sufficiency.

(4) To donate to charitable organizations.

(b) Responsibility for Regulation. The Tribe shall have sole proprietary interest in, and the responsibility for, the regulation of the Consumer Financial Services business authorized by this Code.

(c) Consumer Financial Services Authorized. This Code and any regulations developed in accordance with this Code are the sole authority through which Consumer Financial Services may be offered within the Tribe's jurisdiction.

SECTION 2. DEFINITIONS

As used in this Code, unless the context otherwise requires:

“Agent” means any person designated as an officer or employee of the Authority, as that term is defined herein, while engaged in or on account of the performance of official duties

“Applicant” means any Person who has applied for a License under the provisions of this Code.

“Application” means a request for the issuance of a License under the provisions of this Code.

“Arm of the Tribe” means a commercial entity formed pursuant to the Tribe's law, ultimately overseen by the Tribe, and through which the Tribe intends to serve its interests, including those of its members, and to which the Tribe has extended and granted its sovereign immunity as a means to protect the Tribe's and its Member's interests.

“Authority” means the Tribal Consumer Financial Services Regulatory Authority, created and established by the Tribal Council of the Tribe, charged with the implementation and enforcement of the Code and all other regulations promulgated by the Authority or the Tribe relating to Consumer Financial Services activities and associated licensing requirements.

“Balloon Payment” means an installment payment that is more than twice the amount of the average of all other payments.

“Business day” means any calendar day except Saturday, Sunday, New Year's day, the third Monday in January observed as the birthday of Dr. Martin Luther King, Jr., Washington-Lincoln day, Memorial day, Independence day, Labor day, Veterans' day, Thanksgiving day, and Christmas day.

“Code” means this Tribal Consumer Lending Code.

“Consumer” means a person other than an organization who is the borrower to a Loan made under the Code.

“Consumer Financial Services” means the business of providing a Loan, as that term is defined herein, to a Consumer by a Lender under this Code, from the [Tribe's] reservation or Tribe's jurisdiction.

“Consummated” means the Lender's final acceptance, within the Tribe's jurisdiction, of the Consumer's agreement to accept the terms of a Loan Agreement—or its modification, refinancing, consolidation, or deferral—as evidenced through the Consumer's digital or wet signature affixed thereto.

“Default” means a Consumer's failure to repay a Loan in compliance with the terms contained in a Loan Agreement.

“Lender” means a Person that is licensed by the Authority to engage in the business of providing Consumer Financial Services through any method including storefront, mail, telephone, internet, or any electronic means. All Lenders shall be an Arm of the Tribe as that term is defined herein.

“License” means the official, legal, and revocable Lender license issued by the Authority under this Code to a Lender. A License is a revocable privilege to conduct Consumer Financial Services.

“Loan” means an extension of unsecured credit to a Consumer for any purpose permitted under Tribal law.

“Loan Agreement” means any agreement pursuant to which the Lender agrees to extend credit to the Consumer under a specified set of terms and which is not enforceable until it is consummated.

“Loan amount” means the amount of credit provided to the Consumer.

“Month” means a period of thirty consecutive days.

“Person” means any natural person, organization, or group of individuals acting as a unit, whether mutual, cooperative, fraternal, profit, nonprofit, or otherwise provided, that the term does not include the Federal Government or any agency thereof.

“Tribe” or “tribal” means the _____ Tribe of Indians, a sovereign nation located within the United States of America.

“Tribal Council” means the _____ Tribe of Indians’ Tribal Council, the governing body of the Tribe as described in the Tribe’s governing documents [consider changing to “Constitution”].

“Vendor” means any natural person, partnership, joint venture, association, trust, firm, estate, club, society, receiver, assignee, trustee in bankruptcy, political entity, company, corporation or other group, however organized, who engages or seeks to engage in the business of providing services to a Lender pursuant to this Code.

SECTION 3. TERRITORIAL APPLICATION

This Code applies to Loans made by the Lender and includes modifications, refinancing, consolidations, and deferrals Consummated within the Tribe’s jurisdiction. A Consummated Loan, as those terms are defined herein, shall be deemed prima facie evidence of the Consumer’s intent to accept the territorial application of this Code and the terms of the Loan Agreement.

SECTION 4. LICENSES

4.1. Applicability.

(a) Any Person seeking to engage in Consumer Financial Services subject to this Code shall apply for and receive a License prior to engaging in such Consumer Financial Services.

(b) A License is a revocable privilege to conduct Consumer Financial Services within the Tribe’s jurisdiction.

4.2 Application Process.

(a) An Applicant for a License shall submit to the Authority an Application, signed under oath, on forms prescribed by the Authority. The forms shall contain such information as the Authority may prescribe, including, but not limited to:

(1) Evidence supporting the Applicant's financial condition and history, or all necessary information for the Authority to obtain the Applicant's financial condition and history;

(2) The qualifications and business history of the Applicant and of its officers, directors, or members, including disclosure of whether such Person has had a previous contractual relationship with an Indian tribe;

(3) Whether the Applicant or any of its officers, directors, or members have ever been convicted of or held liable for any: (i) misdemeanor involving fraud or violation of law governing the provision of Consumer Financial Services or any business of a similar nature; or (ii) felony; or (iii) civil suits in which a judgment has been entered or to which was entered a plea of no contest. Applicant shall provide a complete disclosure of any pending or anticipated civil or criminal action filed against the Applicant in any jurisdiction. The Applicant shall provide written permission giving the Authority and its Agents the right to investigate the Applicant's background, including any criminal record;

(4) Whether the Applicant or any of its officers, directors, or members have ever been permanently or temporarily enjoined by a court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of a Consumer Financial Services business or any business of a similar nature;

(5) A description of the Applicant's proposed method of doing business;

(6) A list of all other licenses for which the Applicant has ever applied to the Authority, whether or not such licenses were issued;

(7) The Applicant's tax identification number; and

(8) A sworn statement that if the Applicant receives a License it will submit to the Tribe's jurisdiction and will abide by all applicable Tribal and Federal laws, regulations, and policies and further swears that the information contained in the Application is true and correct to the best of Applicant's knowledge.

(b) Each License Application shall be accompanied by a nonrefundable Application fee, the amount of which shall be set by the Authority.

4.3 License issuance.

(a) The Authority shall issue a License to an Applicant, if, after investigation of the Applicant, the Authority determines that:

- (1) The Applicant has complied with section 4.2 set forth above;
- (2) The experience, character, and general fitness of the Applicant and its officers, directors, or members are such as to warrant the belief that the Applicant will conduct the Consumer Financial Services business honestly, fairly, and efficiently;
- (3) The Applicant is financially responsible and will conduct the business pursuant to this Code;
- (4) The Applicant has assets of at least one hundred thousand dollars (\$100,000.00) available for operating the business; and
- (5) The Tribe has the sole ownership interest in the Applicant.

4.4. Timely action of Authority. The Authority shall approve or deny an Application for a license by written order not more than thirty (30) days after the filing of a substantially complete Application.

4.5. License; posting; renewal; fee. A license issued pursuant to the Code shall be conspicuously posted at the Lender's place of business and on each of Lender's websites. All licenses shall remain in effect for a period of two years, unless canceled, suspended, or revoked by the Authority or surrendered by the Lender. Licenses may be renewed by filing with the Authority a renewal fee, the amount of which shall be set by the Authority, and an Application for renewal containing such information as the Authority may require that indicates any material change in the information contained in the original Application or succeeding renewal Applications. The Authority may issue a temporary License for such period of time as determined by the Authority, but shall in no event exceed sixty (60) days, with a possible sixty (60) day renewal period for good cause shown. Application fees, renewal fees, late payment penalties, civil penalties, administrative fines and other fees or penalties provided for in this Code shall in all cases be paid directly to the Authority. The Authority shall deposit such proceeds into an account or fund designated by the Tribal Council.

4.6. License Substance and Classification. The License shall bear on its face the name of the Lender, the Tribal Logo, the issue date, the license number, and the applicable classification of the License.

4.7. License surrender. Any Lender may voluntarily surrender its License at any time by giving written notice of the surrender to the Authority.

4.8 Denial, suspension or revocation.

(a) The Authority may deny, suspend, or revoke a License, after notice and an opportunity for hearing, if the Authority finds that a Lender:

- (1) Failed to notify the Authority within thirty (30) days after the occurrence of any material development, including, but not limited to:
 - (i) Bankruptcy or other undertaking of insolvency;
 - (ii) Business reorganization due to insolvency;
 - (iii) The filing of a criminal indictment or complaint against the Lender or any of its officers, directors, members, employees, or agents, provided that any temporary suspension is removed if the charges are subsequently dismissed and the Authority's investigation and examination of the events giving rise to such charges reveal no other violation of this Code or the principles of federal and Tribal law; or
 - (iv) A felony conviction against the Lender or any of the Lender's officers, directors, members, employees, or agents; or
- (2) Failed to pay initial Application or renewal fees; or
- (3) Made a material misstatement or omission on the Application or on any document required to be filed with the Authority; or
- (4) Withheld or provided incomplete or insufficient pertinent information; or
- (5) Participated in unauthorized Consumer Financial Services; or
- (6) Knowingly falsified books or records that relate to a transaction connected with the operation of Consumer Financial Services;
- (7) Failed to keep sufficient books and records to substantiate receipts, disbursements, and expenses incurred or paid; or
- (8) Failed to take reasonable measures to ensure that an agreement with a Consumer is not materially breached; or
- (9) Refused to comply with any lawful order, inquiry or directive of the Authority or the Tribal Council; or
- (10) Poses a threat to the public interest or the Authority's effective regulation of Consumer Financial Services; or
- (11) Creates or enhances the danger of unsuitable, unfair or illegal practices in the conduct of Consumer Financial Services; or
- (12) Has been convicted of or has entered a plea of no contest to any felony or any other crime involving breach of trust or dishonesty; or

(13) Has had an order entered against it by a governmental authority with proper jurisdiction and the order is based on conduct that involved fraud, deceit, or misrepresentation by the Lender and the order was entered after notice and an opportunity to be heard; or

(14) Has had a financial judgment ordered against it in a civil action based on fraud, deceit or misrepresentation; or

(15) Employed any person in a Consumer Financial Services business whom the Lender knew or should have known was convicted of fraud, theft, or embezzlement; or

(16) Refused to comply with any lawful order, inquiry or directive of the Authority or the Tribal Council; or

(17) Attempted to bribe or offer something of value to any person, Tribal Council member, or an Authority in an attempt to avoid or circumvent Tribal law; or

(18) Stole or attempted to steal funds or other items of value from the Authority or the Tribe; or

(19) Failed to exercise proper oversight of Vendors working with the Lender, including failing to ensure that such Vendors comply with the terms of this Code; or

(20) Failed to materially comply with the terms of this Code.

(b) If a Lender fails to renew its License and does not voluntarily surrender the License, the Authority may issue a notice of expiration of the License to the Lender in lieu of revocation proceedings.

(c) Revocation, suspension, cancellation, or expiration of a License shall not impair or affect the obligation of a preexisting lawful contract between the Lender and any Person.

(d) Revocation, suspension, cancellation, or expiration of a License shall not affect civil or criminal liability for acts committed before the revocation, suspension, cancellation, or expiration.

4.9. Non-Transferable or Assignable License. A License issued pursuant to the Code shall not be transferable or assignable.

4.10. Personal Jurisdiction.

(a) Obtaining a License pursuant to the Code and engaging in relationship with any Lender, whether as a Vendor or Consumer, shall constitute consent to tribal jurisdiction and sufficient contact with the Tribe for the exercise of personal jurisdiction over the Lender, Vendor, Person, and Consumer in any action arising out of the Lender's and Vendor's activities within the jurisdiction of the Tribe, unless specifically otherwise provided in executed contracts. The Authority is specifically granted authority under this Code to act on behalf of the Tribe in exercising jurisdiction.

(b) Obtaining a Loan from any Lender shall constitute consent to tribal jurisdiction and sufficient contact with the Tribe for the application of tribal law and regulations including, but not limited to, the Code.

4.11. Procedure for Suspension or Revocation.

(a) Upon reasonable basis for belief that a violation of the Code has occurred, the Authority or its Agent may either undertake an investigation of the Lender, or serve upon such Lender an order to show cause why the Lender's License should not be suspended or revoked, or why the Lender should not be enjoined from conducting Consumer Financial Services under this Code.

(b) Any order to show cause or notice of investigation, suspension, or revocation shall state the reason for the order, investigation, suspension, or revocation, and the time and place for the hearing before the Authority pursuant to Section 7.21 herein.

(c) The Lender shall have an opportunity to present testimony and cross-examine opposing witnesses, and to present any other evidence as to why a suspension, revocation order or injunction should not be issued.

(d) The hearing shall be governed in all respects in accordance with Tribal law and Authority regulations. Any suspension or revocation decision of the Authority after hearing may be appealed in accordance with the provisions of Section 7.21 herein.

SECTION 5. LENDERS

5.1 Federal Consumer Protection Laws. A Lender shall conduct business in a manner consistent with the consumer protection principles set forth in the federal laws described in this section, but reference to the principles of these laws shall in no manner endorse the application of any enforcement mechanisms or protections described in those laws as against the Lender. The applicable laws are: the Truth in Lending Act, 15 U.S.C. § 1601 *et seq.*, and related regulations at 12 C.F.R. Part 226; Fair Credit Billing Act, 15 U.S.C. § 1666a; Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.*, and related regulations at 15 C.F.R. Part 202; Electronic Fund Transfer Act, 15 U.S.C. § 1693 *et seq.*, and related regulations at 12 C.F.R. Part 205; Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.* and related regulations at 12 C.F.R. Part 222); privacy provisions of Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 *et seq.*, and related regulations at 16 C.F.R. Part 313 and 16 C.F.R. Part 314; Fair Debt Collection Practices Act, 15 U.S.C. § 1692 *et seq.*, and related regulations at 16 C.F.R. Part 901; Talent Amendment, 10 U.S.C § 987, and related regulations of the Department of Defense at 32 C.F.R. part 232; and Servicemembers' Civil Relief Act, 50 U.S.C. App. §§ 501-596. In interpreting all federal laws, any reference to a "state" shall be construed where appropriate to mean the Tribe and shall be construed liberally in favor of the Tribe, with ambiguous provisions interpreted to the Tribe's benefit. Notwithstanding the above, the Authority has in no way waived any defenses or position related to the applicability of the above laws to the Tribe or any Lender.

5.2 Prohibited Acts by Lenders.

(a) A Person shall not engage in the business of Consumer Financial Services subject to this Code without first obtaining a License pursuant to this Code. A separate License is not required for each location that the Lender operates, but each location must be approved in

advance by the Authority. The Lender shall post its License issued pursuant to this Code at each location or, if the location is a website, said License shall be posted electronically on each website. For purposes of this Section, the term "location" includes a website maintained for the purpose of participating in Consumer Financial Services pursuant to this Code.

(b) A Lender shall not:

(1) Assess any interest, fee, or charge that is greater than any applicable limitation, if any, prescribed in this Code.

(2) Use or cause to be published or disseminated any advertisement that contains false, misleading or deceptive statements or representations.

(3) Engage in unfair, deceptive, abusive, or fraudulent practices or unfair or deceptive advertising in connection with a Loan. A Lender violates the requirements of this Code by engaging in any act that limits or restricts the application of this Code.

(c) **Unconscionability.** The Authority may deem a Loan Agreement unconscionable if, after an investigation and review of a Consumer complaint, it finds that the underlying Agreement was formed through improprieties in the process of its construction and formation or the actual terms are unduly harsh, commercially unreasonable, or grossly unfair given the existing circumstances.

5.3 Books, Accounts and Records, Examinations, Costs.

(a) Books, Accounts, and Records. A Lender shall maintain all books, accounts, and records that the Authority reasonably requires. Each Lender shall:

(1) Ensure that the books, accounts and records are sufficiently detailed to comply with the Code and all applicable Tribal and federal laws.

(2) Maintain the books, accounts and records separately from any other business in which the Lender is engaged and shall retain the books, accounts and records for at least three years.

(b) Examinations and Costs. The Authority may examine or cause to be examined Lender annually and more frequently if the Authority considers it necessary. In conducting such examination, the Authority or its Agent may examine the books, accounts and records to determine if the Lender has complied with this Code and any implementing regulations adopted pursuant to this Code. The Lender shall pay the cost of the examination.

(c) Copy of Code. Each Lender shall have a copy of this Code and any implementing regulations readily available for inspection by any Person at each authorized Consumer Financial Services physical location and shall also be prominently displayed on each of Lender's websites.

SECTION 6. AUTHORIZED TRANSACTIONS; AGREEMENTS

6.1 Required Notices and Terms

(a) Preservation of Tribal sovereign immunity and exclusive jurisdiction. The Lender must in a conspicuous and prominent place on each Loan Agreement in bold, capitalized type size no smaller than type size used elsewhere in the Loan Agreement, provide the Consumer the following notice:

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 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.

(b) Right to rescind. A Consumer shall have the right to rescind the Loan Agreement on or before 5 p.m. of the third (3rd) business day following the Loan transaction. Upon rescission, the Consumer must repay the full amount of the Loan but shall not be required to pay any pre-assessed fee or other fees or costs as set forth in the Loan Agreement. A Consumer must provide the Lender with written notice of such rescission and such written notice must be mailed to Lender at the following address:

[Insert Tribe's preferred address here]

(c) Right to rescind notice. A Lender shall provide the following notice in a conspicuous and prominent place on each Loan Agreement in bold, capitalized type size no smaller than type size used elsewhere 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.

(d) Duration. A Loan shall not be for a term of less than six (6) months or more than forty-eight (48) months.

(e) Fully Amortizing Installment Loans. A Loan shall require that the Consumer pay periodic payments of an amount that the Lender and Consumer predetermine and memorialize in their Loan agreement. Lender may apportion those payments to account for principal and interest according to the Lender's best practices. In no event shall a loan include a Balloon Payment at maturity.

(f) Fees and charges. Except as otherwise specified in this Code, the following fees and charges shall apply:

(1) Interest Rate and Fees – Except as otherwise specified in this Code, a Loan Agreement may provide for the interest rate or the fee equivalent as agreed upon by the parties.

(2) Late Charges – A Loan Agreement may provide for a late payment charge of the amount equal to the greater of XX% of the past due amount or YYY dollars.

(3) Dishonor Item Fees - A Loan Agreement may provide that upon return of a payment device to the Lender, the Lender may charge a fee not in excess of an amount established by the Authority for each return item. Only one fee may be collected for each returned payment notwithstanding multiple presentations of payment.

(g) No oral agreements. A Loan Agreement shall provide that it represents the entire agreement of the parties and may not be contradicted by evidence of prior or contemporaneous oral agreements of the parties. Such provisions are enforceable and disallow evidence of prior or

contemporaneous oral agreements.

(h) Enforcement of Lender's rights and remedies. The Loan Agreement shall provide that in any proceeding in which a Lender is a party in interest with respect to any transactions with a Consumer under this Code, the Lender's rights and remedies shall be granted based upon prima facie proof and entitlement based upon the terms of the written transaction documents and the payment and business records maintained by the Lender in the ordinary course of business. Any claims or defenses whatsoever asserted by or on behalf of a Consumer shall be subject to the dispute resolution process and jurisdiction agreed upon by the parties in their Loan Agreement.

SECTION 7. TRIBAL CONSUMER FINANCIAL SERVICES REGULATORY AUTHORITY

7.1 Establishment and Purpose. The Tribal Council hereby establishes the Authority as a governmental division of the Tribe. The Authority is charged with the implementation of the Code and regulations of the Tribe relating to Consumer Financial Services activities and associated licensing requirements to ensure fair and equitable treatment of Consumers.

7.2 Location and Place of Business. The Authority may maintain its headquarters, principal place of business and office within the Tribal offices. The Authority may establish other places of business in such other locations as the Authority may from time to time determine to be in the best interest of the Tribe.

7.3 Duration. The Authority shall have perpetual existence and succession in its own name, unless dissolved pursuant to Tribal law.

7.4 Attributes. As a governmental division of the Tribe, the Authority is created by the Tribal Council with the purpose and intent that the operations of the Authority be conducted on behalf of the Tribe for the sole benefit and interests of the Tribe, its members, and residents of and visitors to the Tribe's reservation in protecting Consumers.

7.5 Tribal Actions. Notwithstanding any authority delegated to the Authority under this Code, the Tribe reserves to itself the right to bring a lawsuit against any Person or entity in its own right, on behalf of the Tribe or on behalf of the Authority and Lender whenever the Tribe deems it necessary to protect the sovereignty, rights and interests of the Tribe, the Authority, the Lender, or the Consumer.

7.6 Sovereign Immunity of the Authority and Lender.

(a) Immunity from Suit. The Authority, as a division of the Tribal government, and the Lender, as an Arm of the Tribe, both possess all the privileges and immunities of the Tribe allowed under Tribal and federal law, including sovereign immunity from suit in any Tribal, Federal, or state court.

(b) No Waiver. Nothing in this Code shall be deemed or construed to be a waiver of sovereign immunity of the Authority and a Lender from suit, which shall only be waived pursuant to this subsection 7.6.

(c) No Consent to Jurisdiction. Nothing in this Code shall be deemed or construed to be consent of the Authority or of any Lender to the jurisdiction of the United States

or of any state or other tribe with regard to the business or affairs of the Authority and Lender.

(d) Waiver of Sovereign Immunity of the Authority and Lender. Sovereign immunity of the Authority may be waived upon the recommendation of the Authority and through express approval of the Tribe as recognized and adopted in a Resolution setting forth such waiver. The sovereign immunity of Lenders, as for-profit commercial entities that function as Arms of the Tribe, may only be waived to the extent that such waiver is permitted through a resolution of the Tribal Council setting the conditions and measures under which a waiver may be established.

(1) Resolution Effecting Waiver. All waivers of the Authority's sovereign immunity must be preserved with resolutions of continuing force and effect issued by the Authority and endorsed by the Tribe's governing body through its own formal resolution. All waivers of a Lender's sovereign immunity must be preserved with resolutions of continuing force and effect issued by the Tribe's Tribal Council.

(2) Policy on Waiver. Waivers of sovereign immunity are disfavored and shall be granted only when necessary to secure a substantial advantage or benefit to the Authority, the Lender, or the Tribe.

(3) Limited Nature to Waiver. Waivers of sovereign immunity shall not be general but shall be specific and limited as to duration, grantee, transaction, property or funds, if any, of the Authority and Lender subject thereto, and as to the court and law applicable thereto.

(4) Limited Effect of Waiver. Neither the power to sue, provided in subsection 7.13 herein, nor any express waiver of sovereign immunity by resolution of the Tribal Council, shall be deemed as consent to the levy of any judgment, lien, or attachment upon property of the Authority other than property specifically pledged or assigned. Nor shall such actions be deemed consent to suit with respect to any land within the exterior boundaries of the Tribe's reservation, or consent to the alienation, attachment, or encumbrance of any such land.

(5) Enforcement Actions and Immunity. A Lender's sovereign immunity, as described above, shall not prevent, either by operation or interpretation, the Authority's investigations and enforcement actions described in this Code. Moreover, a Lender's sovereign immunity shall not prevent the Tribe's Tribal Council from taking enforcement action against Lender when the Authority requests or when the Tribal Council approves such action through a formal resolution.

7.7 Sovereign Immunity of the Tribe. With respect to the existence and activities of the Authority, all inherent sovereign rights of the Tribe as a Federally-recognized Indian Tribe are hereby expressly reserved, including sovereign immunity from suit in any state, Federal, or Tribal court. Nothing in this Code nor any action of the Authority shall be deemed or construed to be a waiver of sovereign immunity from suit or counterclaim of the Tribe, a consent of the Tribe to the jurisdiction of the United States, any state or other tribe with regard to the business or affairs of the Authority or the Tribe, a consent of the Tribe to any cause of action, counterclaim, case or controversy, or to the levy of any judgment, lien, or attachment upon any property of the Tribe, a consent to suit or counterclaim in respect to any land within the exterior boundaries of the Tribe's reservation, or to be a consent to the alienation, attachment, or encumbrance of any such land.

7.8 Assets of the Authority. The Authority shall have only those assets specifically assigned to it by the Tribal Council, acquired in its name by the Tribe, or acquired by the Authority on its own behalf. No activity of the Authority or any indebtedness incurred by it shall implicate or in any way involve any assets of tribal members or the Tribe not assigned in writing to the Authority.

7.9 Regulatory Agent; Compensation, Duties.

(a) Regulatory Agent; Term of Office. The Authority shall initially be governed by the number of Agents appointed by the Tribal Council. The Tribal Council may increase the number of Agents by Resolution as it deems necessary to conduct the governmental operations of the Authority. The Tribal Council shall determine an Agent's term of office.

(b) Compensation. The compensation of the Agent shall be established from time to time by the Tribal Council.

(1) Duties. The Agent shall have the following responsibilities:

(A) Oversee and have responsibility for the day-to-day operations of the Authority, including supervision of Authority employees;

(B) Supervision of Lenders under the Code; and

(C) Conduct or oversee the conduct of any meetings or hearings held by the Authority in accordance with this Code or further directive of the Tribal Council.

(c) Agent Qualifications. Any person appointed as an Agent of the Authority shall meet the following qualifications:

(1) The Agent shall have expertise, experience, education or a combination thereof in the following areas: financial services, finance, management, business, governmental regulation, law, and/or Tribal policy.

(2) The Agent shall be at least twenty-one (21) years of age and show proof of High School Diploma or equivalent.

(3) No person shall serve as Agent if:

A. His/her prior activities, criminal record, if any, or reputation, habits or associations:

i. Pose a threat to the public interest; or

ii. Threaten the effective regulation and control of financial services; or

iii. Enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the conduct of financial services.

B. He/she has been convicted of or entered a plea of no contest to any

felony or to a misdemeanor involving breach of trust or dishonesty in any jurisdiction;
or

C. He/she, or any member of his or her Immediate Family, has a partnership or other direct monetary or financial interest in the conduct of any Lender or is in privity with a Lender or one of its agents, contractors, or sub-contractors; or if he or she has any other personal or legal relationship that places him/her in a conflict of interest with any Lender. For purposes of this subsection, "Immediate Family" includes spouse or significant other, parents, children, and siblings. Ownership of a Lender by virtue of membership in the Tribe is not a per se monetary or financial interest in the conduct of any Lender. After disclosure, a conflict caused through Immediate Family may be disclosed and waived by the Tribal Council provided that appropriate safeguards are put in place to ensure impartiality.

7.10 Meetings. The Authority shall hold or participate in such meetings with the Tribal Council as are necessary and appropriate.

7.11 Prohibited Acts. The Agent and Authority employees shall not do any of the following with respect to any Lender under the jurisdiction of the Authority:

(a) Be indebted, either directly or indirectly, as borrower, accommodation endorser, surety or guarantor to any Lender unless such indebtedness was contracted before becoming employed by or appointed to the Authority and is fully disclosed to the Authority. Notwithstanding the foregoing, an employee of the Authority other than an Agent may become so indebted; provided that, while the debt is outstanding, the employee shall not participate in any examination of any Lender conducted by the Authority and the indebtedness is:

- (1) Incurred on terms no more favorable than those available to the general public, and
- (2) Fully disclosed to and approved by the Authority before funding, including the following information:

- A. the Loan amount; and
- B. the interest rate; and

(3) Any Default of such Loan shall be reported to the Authority.

(b) Be an officer, director, or employee of any Lender.

(c) Be interested in, directly or indirectly, or receive from any Lender or any officer, director, or employee of any Lender any salary, fee, compensation or other valuable thing by way of gift, donation, credit, or compensation for services or otherwise; except that an Agent or Authority employee is permitted to receive his or her pro-rata share of revenue that has been generated by a Lender and is distributed among all eligible Tribal members by virtue of membership in the Tribe.

7.12 Removal of Regulatory Agent / Vacancy.

(a) Removal. The Agent may be removed by the Tribal Council or a majority vote of the other Agents for the following reasons: serious inefficiency, neglect of duty, malfeasance, misfeasance, nonfeasance, misconduct in office, or for any conduct which threatens the honesty and integrity of financial services or the Authority or violates the letter or intent of this Code. Prior to removal, such Agent shall be (a) granted a hearing before the Tribal Council, and (b) given a written notice of the specific charges against him or her at least ten (10) days prior to such hearing. Any allegations of neglect of duty, misconduct, malfeasance, or other acts that would render an Agent unsuitable for his/her position must be substantiated by a preponderance of the evidence. Agents subject to removal will be given an opportunity to provide evidence rebutting the grounds for their proposed removal before the removal is considered. The decision of the Tribal Council concerning removal of an Agent that issues after the Agent's hearing before the Tribal Council shall be final and not subject to further appeal.

(b) Vacancy. If the Agent shall die, resign, be removed or for any reason be unable to serve as an Agent, the Tribal Council shall declare his or her position vacant and shall appoint another qualified Tribal member to fill the position within thirty (30) days of the vacancy. The term of office of the person appointed to replace the Agent shall be for the balance of the unexpired term for the position.

7.13 Powers of the Authority. The Authority has the power to discharge all duties imposed by this Code and its associated regulations, if any. In furtherance, but not in limitation of, the Authority's purposes and responsibilities, and subject to any restrictions contained in this Code or other applicable law, the Authority shall have, and is authorized to exercise, the following powers and responsibilities in addition to all powers already conferred by this Code:

(a) Receive and act on complaints, take action designed to obtain voluntary compliance with this Code, or commence proceedings on its own initiative;

(b) Counsel Lenders and Consumers on their rights and duties under this Code;

(c) Establish programs for the education of Consumers with respect to credit practices and problems;

(d) Make studies appropriate to effectuate the purposes and policies of this Code and make the results available to the public;

(e) To promulgate, adopt, and enforce regulations and rules furthering the purpose and provisions of this Code; provided that such regulations shall take effect only upon approval of the Tribal Council.

(f) To examine or inspect or cause to be examined or inspected each Lender annually and more frequently if the Authority considers it necessary.

(g) To make, or cause to be made by its agents or employees, an examination or investigation of the place of business, equipment, facilities, tangible personal property and the books, records, papers, vouchers, accounts, documents and financial statements of any Lender or

Person engaging or participating in, or suspected to be engaging or participating in, Consumer Financial Services to ensure compliance with this Code or any order of the Authority, to determine whether any Lender has engaged, is engaging or is about to engage in any act, practice or transaction that constitutes an unsafe or unsound practice or violation of this Code or any order of the Authority, or to aid in adopting rules or regulations pursuant to this Code.

(h) To establish procedures designed to permit detection of any irregularities, fraud, or the like.

(i) Upon prior explicit resolution and approval of the Tribal Council, to employ such advisors as it may deem necessary. Advisors may include, but are not limited to, lawyers, accountants, law enforcement specialists, and financial services professionals.

(j) To accept, review, approve, or disapprove any Application for a License, including conducting or arranging for background investigations of all Applicants.

(k) To examine under oath, either orally or in writing, in hearings or otherwise, any Lender or Person, or agent, officer or employee of any Lender or Person, or any other witness with respect to any matters related to this Code and to compel by subpoena the attendance of witnesses and the production of any books, records, and papers with respect thereto. Upon refusal to appear or produce, the Authority may apply to a court of competent jurisdiction to compel appearance or production.

(l) To discipline any Lender engaging or participating in Consumer Financial Services or other acts in violation of this Code by ordering immediate compliance, issuing fines and sanctions, and suspending or revoking any License pursuant to the hearings and due process required by Section 7.21 of this Code. If a Person fails to pay fines and sanctions, the Authority may impose a lien in the amount of such fine and costs upon all assets and property of such Person within the jurisdiction of the Tribe and may be recovered in a civil action by the Authority. Failure of the Person to pay such fine and costs shall constitute a separate violation of the Code.

(m) To sue in courts of competent jurisdiction within the United States, subject to Section 7.5 herein; provided that no suit shall be brought by the Authority without the prior explicit written approval of the Tribal Council.

(n) To arbitrate, compromise, negotiate or settle any dispute to which it is a party relating to the Authority's authorized activities, subject to any approval of the Tribal Council that may be required by the Tribal Council.

(o) To adopt a schedule of fees to be charged for the processing, issuance, and renewal of Licenses, including fees or charges associated with conducting background checks; for reasonable examinations of Lenders; and for services rendered relating to transcripts and the furnishing or certifying of copies of proceedings, files, and records and to impose the forgoing fees as applicable.

(p) To establish and maintain such bank accounts as may be necessary or convenient.

(q) To make such findings as may be necessary to implement the Authority's duties and powers, with such findings to be given deference as the legally binding findings of a governmental entity.

7.14 Annual Budget. The Authority shall prepare an annual operating budget for all Authority activities and present it to the Tribal Council no less than thirty (30) days prior to the commencement of each operating year or part thereof.

7.15 Authority Regulations.

(a) Regulations necessary to carry out the implementation and orderly performance of the Authority's duties and powers shall include, but shall not be limited to, the following:

(1) The making of findings or other information required by or necessary to implement this Code;

(2) Interpretation and application of this Code, as may be necessary to enforce the Authority's duties and exercise its powers;

(3) A regulatory system for overseeing Consumer Financial Services, including accounting, contracting, management and supervision;

(4) The conduct of inspections, investigations, hearings, enforcement actions and other powers of the Authority authorized by this Code; and

(5) Specification of the amount and the schedule of applicable Licensing and examination fees that shall be imposed by the Authority.

(b) No regulation of the Authority shall be of any force or effect unless it is adopted by the Authority by written resolution and subsequently approved by a resolution of the Tribal Council.

7.16 Regular Reports to the Tribal Council. The Authority shall file regular reports with the Tribal Council updating the Tribal Council on issues, if any, related to each Lender and providing additional information and comment that it deems necessary to keep the Tribal Council fully informed as to the status of the Authority's activities. The Authority shall define by regulation, subject to the approval of the Tribal Council, the schedule for the submission of such reports.

7.17 General Principles of Dispute Resolution. The Tribe values its customers and intends that it will timely address questions, concerns, issues, and/or disputes raised by Consumer borrowers in a fair and orderly manner pursuant to a dispute resolution procedure that the Authority has approved.

7.18 Initial Dispute Resolution Procedure

(a) Consumers who, in the course of their otherwise lawful and proper use of a Lender's business, have concerns about the operation of any part of the Lender's operation that pertain to the Consumer or who otherwise believe themselves to be aggrieved by some aspect of the operation of any part of the Lender's business, shall first direct their concerns and any dispute to the Lender's management, either orally or in writing.

(b) Upon receipt of such complaint, the Lender shall expediently gather sufficient facts to make a determination about the dispute. The Lender shall inform the complainant Consumer

in writing about its determination as soon as is reasonably practicable.

7.19 Formal Dispute Resolution Procedure

(a) In the event of a Consumer dispute that has moved through the Initial Dispute Resolution Procedure described above, complainants who are dissatisfied with a Lender's resolution of their dispute may request review by the Authority by submitting a request to the Authority in writing.

(b) The Authority shall investigate and review the dispute in any manner that it chooses. In connection with a dispute, the Authority may conduct such review, interviews, sworn statements, depositions, and other means of obtaining desired information as the Authority requests. In each instance, the Lender, complainant, and other interested persons must cooperate with the Authority and must provide such information and documents as the Authority deems necessary or advisable to resolve the Consumer dispute.

(c) After reviewing and/or investigating (if the Authority chooses) the Consumer dispute, the Authority shall communicate its opinion and any proposed resolution on the Complainant's written request for review in a manner deemed reasonable and appropriate by the Authority.

7.20 Investigations, Right of Entrance.

(a) Investigations. The Authority may investigate and examine the operation and premises of any Lender or Person engaging in, or suspected to be engaging in, Consumer Financial Services or other services related thereto within its jurisdiction.

(1) In undertaking such investigations, the Authority may request the assistance of federal or local law enforcement officials, legal counsel and/or other third parties.

(2) In conducting such investigation, the Authority shall make no order or final decisions without affording any affected party notice and a hearing pursuant to Section 7.21 of this Code.

(3) This power to investigate does not authorize the Authority to manage the day-to-day operations of a Lender.

(b) Right of Entrance. The Authority and duly authorized employees or agents of the Authority, during regular business hours, may reasonably enter upon any premises of any Lender, engaging in or suspected to be engaging in Tribal Consumer Financial Services or other services related thereto for the purpose of making inspections and examining the accounts, books, papers and documents relating to Consumer Financial Services or other services related thereto of any such Lender.

(c) Aid to Entry. The staff of the Lender engaging in or suspected to be engaging in Tribal Consumer Financial Services or other services related thereto shall facilitate such inspection or examinations by giving every reasonable aid to the Authority and to any properly authorized officer or employee.

7.21 Notice and Opportunity to Cure; Due Process; Notice; Hearings; Examiner.

(a) Cease and Desist Order. If the Authority believes that any Lender has engaged in or is about to engage in any act or practice constituting a violation of the Code or regulations promulgated thereunder, the Authority may issue a cease and desist order and therein provide the violator an opportunity to cure the violation.

(1) Notice. Upon entry of a cease and desist order the Authority shall promptly send written notice of such order and the reasons therefore, to all persons to whom the order is directed. No later than fifteen (15) days after its receipt of an order from the Authority, an aggrieved party may, in writing, request a hearing. The Authority shall set a hearing no less than ten (10) and no later than thirty (30) days after the Authority's receipt of such a written request, or at a later time upon written request and agreement of the complaining party or as set by the hearing officer based on good cause. If a hearing is not requested within fifteen business days and none is ordered by the Authority, the order of the Authority shall automatically become final and shall remain in effect until modified or vacated by the Authority. If a hearing is set and held, the Authority shall issue a written opinion containing findings of fact and conclusions of law and may affirm, vacate, or modify its order.

(2) Vacatur/Modification of Cease and Desist Order. The Authority may vacate or modify an order if it finds that the conditions which caused its entry have changed or that it is otherwise in the public interest to do so.

(b) Notice of Hearing. The Authority shall, within ten (10) days after learning of the event(s) giving rise to the reasons that support its issuance of a cease and desist order, provide a Lender with written notice setting forth, with specificity, the issues to be resolved and the date and time at which a hearing shall be conducted.

(c) Hearing. At the hearing, the affected parties shall be provided the opportunity to present oral or written testimony to all people interested therein as determined by the Authority.

(d) Examiner. The Authority's Agent shall act as examiner for the purpose of holding any hearing, or the Agent may appoint an examiner qualified in the law or possessing knowledge or expertise in the subject matter of the hearing for the purpose of conducting any hearing. Any such appointment shall constitute a delegation to such examiner of the powers of the Authority under this Code with respect to any such hearing.

(e) Decision. The Authority shall issue a written decision to all affected parties within thirty (30) days after the hearing, and based upon the evidence presented at such hearing, the Authority may remove or extend its cease and desist order, and it may suspend or revoke a Lender's authority to operate within the Tribe's jurisdiction, order a Lender or Vendor, as the case may be, to pay a Consumer the amount of any actual damages proven to have resulted from a violation, and issue any other remedy as justice requires.

(f) Appeals. Affected parties may appeal an Authority determination by filing a written appeal to the Tribal Council within twenty (20) days of receiving the Authority's final written decision. The Tribal Council shall place the matter on the agenda of its next regularly scheduled meeting. Any decision of the Tribal Council on appeal shall be final and not subject to further appeal.

SECTION 8. ENFORCEMENT

8.1 Jurisdiction. Except as provided otherwise in this Code, the Authority shall have jurisdiction over all violations of this Code and with respect to any conduct governed in this Code or with respect to any claim arising from a transaction subject to this Code.

8.2 Guidelines. In imposing any administrative remedy or civil penalty provided for in this Code, the Authority shall take into account the appropriateness of the remedy or penalty with respect to the size of the financial resources and good faith of the Lender or Person charged, the extent to which the violation was intentional, the gravity of the violation, the history or previous violations, and such other matters as justice may require.

8.3 Civil Violations. Any Lender or Person who violates or fails to comply with any provision of this Code or who fails or neglects to comply with any final order of the Authority may be charged with a violation and given due process pursuant to Section 7.20 herein. If the Lender or Person is found to have committed a violation, he/it may be required to pay a civil fine to the Authority not to exceed an amount of which shall be set by the Authority for each violation. Each day during which any such violation or failure to comply continues may be treated as a separate violation of this Code, but not to exceed an amount to be set by the Authority. A violation or series of violations related to the same act or omission may be treated as one violation.

(a) A Lender, or Person found responsible for a material violation pursuant to this Section may also be subject to revocation of its License.

(b) If an officer or agent of a Lender knowingly or recklessly participates in a material violation of this Code, then the Authority may immediately revoke the License of the Lender thereby terminating said relationship.

(c) If an officer or agent of a Vendor knowingly or recklessly participates in conduct or activity that would constitute a material violation of this Code, the Authority may immediately ban the Vendor from operating within the Tribe's jurisdiction and may require the Lenders working with such Vendor to show cause why they should not be held accountable and disciplined for the Vendor's conduct.

8.4 Cumulative Fines. All civil fines accruing under this Code shall be cumulative and a suit for the recovery of one fine shall not bar or affect the recovery of any other fine, or judgment, penalty, forfeiture or damages nor bar the power of a court of competent jurisdiction to enter an order of contempt, nor bar any criminal prosecution against any officer, director, agent, or employee of any Lender or any other Person.

8.5 Purpose of Civil Penalties. The civil fines imposed under this Code are intended to be remedial and not punitive. Such fines are designed to compensate the Tribe for the damage caused to its peace, security, economy, and general welfare, while also compensating the Tribe for the costs of enforcement under this Code and ensuring that Consumers harmed by the actions of a Lender are made whole through restitution in the amount of any actual damages proven to have resulted from a violation. Finally, the civil penalties set forth under this Code are intended to encourage compliance with the Code and the Authority's regulations, and not as punishment for violation of such laws and regulations.

8.6 Civil Action for Penalties. In enforcing the civil infraction provisions of this Code, the Authority may proceed in the name of the Tribe against a Person by civil complaint in a court of competent jurisdiction.

8.7 Seizure and Forfeiture of Property. Property of a Lender or Person utilized in violation of this Code shall be subject to seizure and forfeiture by order of the Authority pursuant to such implementing regulations as the Authority shall promulgate.

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.

Carlysten B. from 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.

Winters C. from 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. |

SELF-RELIANCE:

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 or contact me directly at 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

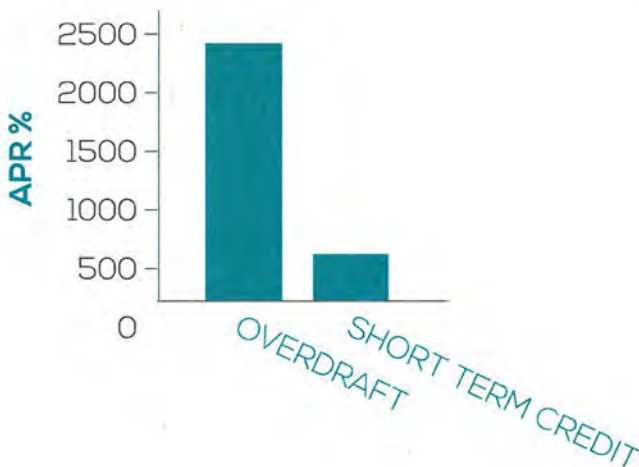
Consider this scenario: a consumer, starting with an account balance of \$0, makes five debits of \$40 each over a period of 14 days. In total, the consumer borrows \$200 over 14 days. The Woodstock Institute survey of overdraft protection plans at the seven largest Chicago banks found the Effective 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 |

* Moeb's Services Surveys, www.moeb's.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



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

| | |
|-------------------------|--|
| Revenue: | 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. |
| Budget: | 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. |
| Employment: | 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). |
| Social Services: | 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. |
| Infrastructure: | 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. |
| Education: | 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. |
| Tribal Services: | 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.