

STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

BILL SCHUETTE, ATTORNEY GENERAL
OF THE STATE OF MICHIGAN, *ex rel*
The People of the State of Michigan,

Case No. 16- 30 -CP

Plaintiff,

HON. WILLIAM E. COLLETTE

LIQUIDATION, LLC; also doing business as:
VEHICLE LIQUIDATION LLC, AUTOLOANS, LLC;
AUTO LOANS, LLC; CAR LOAN, LLC;
SOVEREIGN LENDING SOLUTIONS, LLC;
SOVEREIGN LENDING, LLC,
MANAGEMENT SOLUTIONS, LLC;
LOAN SERVICING SOLUTIONS, LLC; and
WILLIAM MCKIBBIN, III, INDIVIDUALLY;
MARK EDWARD WIENER, INDIVIDUALLY, *et al.*

Defendants.

**MOTION FOR EX PARTE TEMPORARY RESTRAINING ORDER
AND ORDER TO SHOW CAUSE WHY A PRELIMINARY
INJUNCTION SHOULD NOT BE ISSUED**

Attorney General Bill Schuette, on behalf of the People of the State of Michigan, Plaintiff herein, brings this motion for an ex parte temporary restraining order pursuant to MCR 3.310(B), restraining Defendants, and any agent of Defendants, including any person or entity in active concert or participation with Defendants or acting under Defendants' direction and control who receive notice of this the order, from engaging in any collection actions on loans extended by Defendants to a Michigan resident, in particular any action to repossess, take title to, auction or sell a motor vehicle pledged as

collateral for such loan, and from accepting interest payments made in connection with such loan; for the following reasons, which are more fully set forth in the Complaint with attached Affidavits and the accompanying Brief in Support of this Motion:

1. Under MCR 3.310(B)(1)(a), a Court may issue an ex parte temporary restraining order if it clearly appears from specific facts shown by affidavit or by a verified complaint that immediate and irreparable injury, loss or damage will result from the delay required to effect notice or from the risk that notice will itself precipitate adverse action before an order can be issued.

2. Defendants engage in the business of selling consumer loans with triple-digit interest rates (on average 231% APR) to consumers in Michigan, secured by the borrower's vehicle, listing a Defendant LLC as a secured interest-holder on the vehicle's title.

3. Defendants' interest rates exceed the 25% annum interest rate defined as criminal usury in Michigan MCL 438.41.

4. Defendants' interest rates exceed the 36% APR (3% per month) interest rate permitted to pawnbrokers under the Michigan Pawnbroker Act, MCL 446.208.

5. Defendants continue to collect and receive interest loan payments from Michigan consumers. At least 440 Michigan residents entered into the subject loans with the Defendant.

6. Defendants are actively repossessing, transporting, and auctioning vehicles associated with these loans.

7. Plaintiff knows of thirteen such vehicles that have been repossessed and are subject to resale or other disposition absent the issuance of a temporary restraining order; one located on the Mt. Clemens, Michigan premises of Select Auto Services/Advanced Repossession Services, Inc., and twelve on the Carleton, Michigan business premises of auction house Manheim Remarketing, Inc.

8. The consumer owners of the above vehicles face immediate and permanent vehicle loss upon their disposition and resale. Given the hundreds of other Michigan residents whose vehicle titles list a Defendant LLC as a secured party, similar vehicle loss by numerous other Michigan owners is certain to occur in the absence of a court injunction.

9. Approximately 334 Michigan residents are believed to still have possession of their vehicles, and still making payments to Defendants; incurring further financial loss with every payment of illegal, usurious interest to Defendants, in addition to vehicle repossession.

10. Defendants utilize various business names, and represent the Auto Loans' LLC address as P.O. Box 11, Rarotanga, Cook Islands; located outside the continental United States near New Zealand, presumably to hide assets and obstruct consumer redress. Legal remedies, including extensive civil penalties and even possible enforcement of Michigan's criminal statutes are inadequate to protect the public from losses incurred through Defendants' ongoing conduct.

11. Defendants have failed to respond to Plaintiff's Notice of Intended Action, (required by section 5 of the Michigan Consumer Protection Act (MCL 445.905(2))). Defendants have likewise failed to request a hearing or otherwise respond to Plaintiff's Cease and Desist Order against further collection activities on loans to Michigan residents (including vehicle repossession and sale), issued under section 3 of the Regulation of Collection Practices Act; MCL 445.253.

12. Both of the foregoing were sent to Liquidation, LLC's registered agent in Ohio, one possible other resident agent in Delaware, four other addresses used by Defendants in connection with loans to Michigan consumers, and three customer service email addresses used by Defendants in communications with Michigan consumers (including debt collection threats). Defendants have been similarly unresponsive to legal actions brought by the Oregon Attorney General and Pennsylvania Department of Banking and Securities, Compliance Office addressing the title loans and business practices at issue herein.

13. On January 13, 2016, efforts to notify Defendants of this application for a temporary restraining order were made by phone call to Auto Loans, LLC (855-556-2489), and email to the following addresses used by Defendants: customerservice@autoloans-llc.com; customerservice@carloan-llc.com (Certification of Counsel for Plaintiff attached.)

WHEREFORE, Plaintiff respectfully requests that the Court immediately enter an ex parte temporary restraining order and order to show cause why a preliminary injunction prohibiting Defendants and any agent of Defendants, including any person or

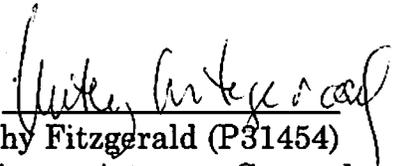
entity in active concert or participation with Defendants or acting under Defendants' direction and control who receive notice of the order, from:

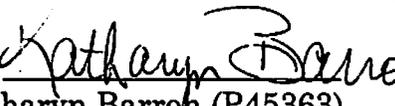
- (a) Making, servicing, or collecting on any loan to persons who reside in Michigan;
- (b) Accepting interest payments made by any person who resides in Michigan;
- (c) Engaging in any collection activities on loans extended by Defendants, where the borrower is a Michigan resident, including any action to repossess, transport, take title to, auction, or sell a motor vehicle pledged as collateral for such loan;
- (d) Asserting a security interest in any vehicles allegedly pledged as security for repayment of a Michigan loan;
- (e) Selling any motor vehicle associated with a Michigan loan.

A proposed Order is attached.

Respectfully Submitted,

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Dated: January 14, 2016