

STATE OF MICHIGAN  
CIRCUIT COURT FOR THE 30<sup>TH</sup> 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.

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**BRIEF IN SUPPORT OF PLAINTIFF'S MOTION FOR  
EX PARTE TEMPORARY RESTRAINING ORDER**

**INTRODUCTION**

This case arises from an unlawful automobile title loan scam that has burdened over 440 Michigan consumers with unpayable loans carrying triple-digit interest rates ranging from 161.95% to 251.03%, who are facing threats of repossession, loss of their cars, and financial loss of payments already made and still being made to the lender. Hiding behind an offshore company, using multiple business names, and operating out of shadowy 'virtual offices' and commercial mail boxes in other states, Defendants have flouted Michigan's lending, debt collection,

limited liability company and consumer protection laws to deceive consumers into unconscionable loans at exorbitant and illegal interest rates.

Defendants are actively repossessing, transporting, and auctioning vehicles associated with these loans. As a result, hundreds of Michigan residents face threats of imminent vehicle repossession and irrevocable vehicle loss via resale to unsuspecting buyers. At this time, used car auction house Manheim Remarketing has twelve such vehicles on its Carleton, Michigan location, awaiting auction or other disposition. Another such vehicle is on the Mt. Clemens, Michigan lot of Select Auto Services, and is subject to being disposed of by Select Auto after January 15, 2016, absent other earlier disposition.

Plaintiff requests a temporary restraining order to protect approximately 334 Michigan consumers whose vehicles are subject to being illegally repossessed and resold at any time, and are incurring further financial loss with every payment of illegal, usurous interest to Defendants; losses that realistically cannot be recovered and only can be avoided by an immediate issuance of a restraining order enjoining repossession and resale of affected vehicles and Defendants' receipt of further interest payments from Michigan residents.

## BACKGROUND

Virtually none of the material facts can be disputed. Defendant engages in the business of issuing consumer loans with triple-digit interest rates to Michigan consumers. The loans are secured by the borrower's vehicle, with Defendant listing itself as a secured interest-holder on Michigan vehicle titles. Defendant labels its

loans as 'Pawn Agreements,' using a loan document entitled a "Pawn Ticket and Agreement"; representative copy attached as Exhibit 1.<sup>1</sup> The Pawn Ticket and Agreement states that loans are to be repaid over twelve months in eleven equal monthly payment amounts, followed by a large final balloon payment in an amount exceeding the loan amount received by the borrower.<sup>2</sup>

The Pawn Ticket and Agreement further states that loan payments are applied *first* to accrued interest; (Exhibit 1, p. 2, "Allocation of payments"). Accordingly, virtually every consumer payment preceding the final (balloon) payment made on Defendant's loan constitutes a payment of illegal, usurious interest under the Michigan Criminal Usury Act, MCL 438.41, which defines criminal usury as:

A person is guilty of criminal usury when, not being authorized or permitted by law to do so, he knowingly charges, takes or receives any money or other property as *interest* on the loan or forbearance of any money or other property, at a rate exceeding 25% at simple interest per annum or the equivalent rate for a longer or shorter period.

While Defendant may attempt to avoid the effect of the Usury Act by holding itself out as a pawnbroker, Defendant does not meet the qualifications of a pawnbroker under the Michigan Pawnbrokers' Act, and even if it did, would still be charging and receiving interest in violation of this Act; which prohibits pawnbrokers from charging or receiving interest in excess of 3% per month (36% per annum); MCL 446.209(1)(3).

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<sup>1</sup> Canfield Affidavit, Para. 8.

<sup>2</sup> Canfield Affidavit, Para. 8b.

Michigan Department of State business records reflect that Auto Loans, LLC, Autoloans, LLC or Sovereign Lending Solutions, LLC appear as a lienholder on at least 405 Michigan vehicle titles.<sup>3</sup> According to records obtained from the Indiana Bureau of Motor Vehicles, Defendant Liquidation, LLC has applied for an Indiana vehicle title in its name following repossession on 61 vehicles with Michigan titles.<sup>4</sup> This likely means that there are at least 334 Michigan consumers who are currently making payments to Defendant associated with the Pawn Agreements, and whose vehicles could be subject to repossession and resale at any time.

Plaintiff is aware of thirteen vehicles that have been repossessed and subject to resale or other disposition absent Court injunction; 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.<sup>5</sup>

Defendants utilize various business names, and do not have any current known physical business operation in Michigan or elsewhere in the United States. The Pawn Ticket and Agreement states Auto Loans' address as P.O. Box 11, Rarotanga, Cook Islands. Located outside the continental United States near New Zealand, it is highly unlikely that current and future consumer payments made to Defendants can be recovered; resulting in permanent financial loss to consumers who can least afford it. Recovery of consumer vehicles repossessed and resold to

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<sup>3</sup> Bueter Affidavit, Para. 7.

<sup>4</sup> Canfield Affidavit, Para. 11.

<sup>5</sup> May Affidavit, Paras. 4, 5, 9).

new owners is likewise unrealistic; resulting in permanent vehicle loss by affected consumers.

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))), which affords Defendants an opportunity to confer with Plaintiff before the filing of a lawsuit under the MCPA. Defendants have likewise failed to request a hearing or otherwise respond to Plaintiff following Plaintiff's issuance of a 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. To best assure Defendants' notice and receipt, both of the foregoing were mailed to Liquidation, LLC's current registered agent in Ohio,<sup>6</sup> a Delaware registered agent that may have been used by Defendant,<sup>7</sup> four other addresses used by Defendant in connection with loans to Michigan consumers,<sup>8</sup> and three customer service email addresses used by Defendant in communications with Michigan consumers (including debt collection threats).<sup>9</sup>

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.

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<sup>6</sup> Indiana Registered Agent LLC/Registered Agents, Inc.; 101 W. Ohio St., Suite 2000B, Indianapolis, IN 46204.

<sup>7</sup> National Registered Agent, Inc.; 160 Greentree Drive, Suite 101, Dover, DE 10094.

<sup>8</sup> 1930 Village Center, Las Vegas, NV 89134; 433 Plaza Real, Boca Raton, FL 33432; 9435 Waterstone Blvd., Suite 140, Cincinnati, OH 45249; 2501 N. Federal Hwy., Boca Raton, FL 33431.

<sup>9</sup> [info@autoloan-llc.com](mailto:info@autoloan-llc.com); [customerservice@autoloans-llc.com](mailto:customerservice@autoloans-llc.com) ; [customerservice@carloan-llc.com](mailto:customerservice@carloan-llc.com)

## ARGUMENT

A temporary restraining order may be granted without written or oral notice to the adverse party only if it appears from specific facts 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. MCR 3.310(B)(1)(a).

As set forth by the Affidavit of Martin May attached to the Complaint filed herein, Plaintiff knows of thirteen vehicles belonging to Michigan residents that have been repossessed from consumer owners and are subject to disposition (by auction or otherwise), in the absence of a temporary restraining order and preliminary injunction. Twelve are on the Michigan premises of auction house Manheim Remarketing. The other is on the Mt. Clemens lot of Select Auto Services and subject to disposition by Select Auto after January 15, 2016, absent other earlier disposition. The owners of these vehicles face ongoing and immediate vehicle loss, which will become permanent upon disposition and resale. Given the hundreds of other Michigan residents whose vehicle titles list Defendant as a secured party, similar vehicle loss by numerous other Michigan owners is certain to occur in the absence of a court injunction.

The following additional facts, supported by affidavits attached to Plaintiff's Complaint, warrant this Court's immediate intervention:

- Defendant has no legal right to collect interest payments from Michigan consumers' attendant to the illegal loans. As loan payments are applied *first* to accrued interest; (Exhibit 1, p. 2, "Allocation of payments") virtually every consumer payment preceding the final (balloon) payment received by Defendants is in violation of the Michigan Criminal Usury Act, MCL 438.41.
- Defendant is presently listed as a security interest holder on at least 334 Michigan vehicle titles, and has shown a propensity to convert that security interest holder status into a new title issued from a different state listing Defendant as the "owner" of the vehicle.
- Defendant continues to receive ill-gotten and illegal payments from Michigan consumers related to the subject loans, and every month Michigan consumers suffer further financial loss.
- Defendant, under false pretenses, uses the legitimate vehicle repossession, towing, transport, and auction services of Michigan businesses.
- Defendant has used a multitude of company names and purported business locations that hinder and obstruct legal redress by and for affected consumer victims.
- Defendant, although doing business in Michigan and elsewhere in the United States, purports to be located in the Cook Islands; presumably to insulate the illegal cash proceeds collected from consumers in Michigan and elsewhere in the U.S.

#### **CONCLUSION AND RELIEF SOUGHT**

Michigan consumers will suffer immediate and irreparable financial loss as a result of vehicle loss by and illegal interest payments to Defendants. Vehicle title loans are a lending product marketed to and used by financially vulnerable consumers with damaged credit histories, who can least afford losing a vehicle that may be their largest asset and only means of transportation, critical to maintaining employment and meeting personal and family needs. While Counsel for Plaintiff

has provided notice of this request for a temporary restraining order to Defendants by telephone and email, the time required to provide formal notice of the relief requested to Defendants will result in enhanced losses to affected consumers. Further, Defendants' business methods demonstrate an intention to actively 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 Defendants' ongoing conduct.

WHEREFORE, Plaintiff respectfully requests that the Court immediately enter an Ex Parte Temporary Restraining Order and preliminary injunction prohibiting Defendant and any agent of Defendant, including any person or entity in active concert or participation with Defendant or acting under Defendant's direction and control who receive notice of the order, from:

1. Making, servicing, or collecting on any loan to persons who reside in Michigan;
2. Accepting interest payments made by any person who resides in Michigan;
3. Engaging in any collection activities on loans extended by Defendant, where the borrower is a Michigan resident, including any action to repossess, transport, take title to, or sell a motor vehicle pledged as collateral for such loan;

4. Asserting a security interest in any vehicles allegedly pledged as security for repayment of a Michigan loan;
5. Selling any motor vehicle associated with any Michigan loan.

Respectfully Submitted,

BILL SCHUETTE  
Attorney General

By: Kathy Fitzgerald  
Kathy Fitzgerald (P31454)  
Assistant Attorney General  
Consumer Protection Division  
P.O. Box 30213  
Lansing, MI 48909  
(517) 335-0855

By: Katharyn Barron  
Katharyn Barron (P45363)  
Division Chief  
Consumer Protection Division  
P.O. Box 30213  
Lansing, MI 48909  
(517) 335-0855

Dated: January 14, 2016

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# Pawn Ticket and Agreement

Autoloans, LLC P.O. Box 11  Rarotonga Cook Islands	Consumer (Name, Address, City, State, Zip, telephone):  Ann Arbor, Michigan 48103											
<b>TRUTH-IN-LENDING DISCLOSURES</b>												
<b>ANNUAL PERCENTAGE RATE</b> The cost of your credit as a yearly rate.	<b>FINANCE CHARGE</b> The dollar amount your credit will cost you.	<b>Amount Financed</b> The amount of credit provided to you.	<b>Total of Payments</b> The amount you will have paid after you have made all payments as scheduled.									
247.65%	\$3,901.60	\$1,500.00	\$5,401.60									
<b>Payment Schedule</b> <table border="1"> <thead> <tr> <th>NUMBER OF PAYMENTS</th> <th>AMOUNT OF PAYMENTS</th> <th>WHEN PAYMENTS ARE DUE</th> </tr> </thead> <tbody> <tr> <td>11</td> <td>\$316.80</td> <td>Every 30 days, beginning 30 days from the date of funding</td> </tr> <tr> <td>Final Payment</td> <td>\$1,916.80</td> <td>360 days from the date of funding</td> </tr> </tbody> </table> <p><b>Security Interest:</b> This pawn transaction is secured by your motor vehicle and by your ACH authorization. <b>Prepayment:</b> If you pay off early on loans under \$5,000 you will not have to pay a penalty. On loans of \$5,000 or more if you pay the principal loan amount off or down in the first 60 days a prepayment penalty will be assessed equal to 60 days of interest less any interest already assessed. <b>Late charge:</b> There is a late charge equal to the greater of 5% of the payment amount or \$15.00 for any payment that is late. The late charge may be assessed if your payment is 3 days late. See the terms below for any additional information about nonpayment, default and prepayment refunds.</p>				NUMBER OF PAYMENTS	AMOUNT OF PAYMENTS	WHEN PAYMENTS ARE DUE	11	\$316.80	Every 30 days, beginning 30 days from the date of funding	Final Payment	\$1,916.80	360 days from the date of funding
NUMBER OF PAYMENTS	AMOUNT OF PAYMENTS	WHEN PAYMENTS ARE DUE										
11	\$316.80	Every 30 days, beginning 30 days from the date of funding										
Final Payment	\$1,916.80	360 days from the date of funding										

Itemization of the Amount Financed:		Description of Pawned Motor Vehicle	
Amount given to you directly:	\$1,500.00	VIN:	1FMCU0C72CKA63843
Amount paid on our prior loan to you:	\$0.00	Year:	2012
Amount paid to far	\$0.00	Make/Model/Series:	Ford Escape XLS 4D Utility FWD
Plus Title Fee:	\$0.00		
Plus Processing Fee to us (Prepaid Finance Charge):	\$100.00		
Equals "Principal Amount" of your loan:	\$1,600.00		
Less Prepaid Finance Charge:	\$100.00		
Equals Amount Financed:	\$1,500.00		

**Definitions:** The wording has been kept as clear and simple as possible. Even so, you may have questions. If you do, please call us. In this contract, the word "you" or "your" refers to and includes where appropriate, all person who sign this contract. "We", "us", "our" or "Lender" refer to Autoloans, LLC.

**Motor Vehicle Title Pawn:** You have agreed to pledge and pawn to Lender your 'Pawned Motor Vehicle' in exchange for the agreed Principal Amount shown above. The Pawned Vehicle includes the motor vehicle described above, the certificate of title to that motor vehicle, and any proceeds, accessories, attachments, accessions, replacements and additions to the motor vehicle, whether added now or later, together with all insurance proceeds and refunds of insurance premiums, if any, and all sums that may be due from third parties who may cause damage to the vehicle or from any insurer, whether due to judgment, settlement or other process. However, the Pawned Motor Vehicle does not include any non-purchase money household goods (as defined in 16 C.F.R. Part 444), or other consumer goods that consumer may acquire more than ten days after giving value unless such consumer goods are installed in or affixed to the vehicle. Except for the pawn interests in Lender's favor, consumer represents that there are no others liens, interests or encumbrances regarding the Pawned Motor Vehicle.

**Loan Proceeds:** You agree that we may disburse the pawn proceeds as set forth in the Itemization of the Amount Financed above, with the amount given to you directly being deposited by us by ACH credit to your designated depository account. You agree to pay a processing fee in the amount shown above. The processing fee is financed as part of the Principal Amount of the loan and accrues interest. The amount of any regular filings fees are covered by the processing fee. You further agree, however, that you will pay any additional filing fees or charges that may arise. In this connection, for example, you agree that we may deduct from the loan proceeds paid directly to you any outstanding traffic tickets, parking tickets, or other charges required by the motor vehicle department.

**Possession and Use of Pawned Vehicle:** During this transaction, the certificate of title to the Pawned Motor Vehicle shall be maintained in possession of the Lender and the Pawned Motor Vehicle may be maintained in your possession subject to the terms of this Pawn Agreement. Lender is permitted, but not required, to file notice of its pawn interest on the certificate of title or other applicable public filing office without prejudice to the nature of this transaction as a pawn transaction and without being treated as a secured transaction subject to Article 9 of the Uniform Commercial Code or similar statutes. Lender does not have any responsibility or liability whatsoever for the maintenance and use of the Pawned Motor Vehicle, including, without limitation, any damages or injury related to the Pawned Motor Vehicle. You agree not to use the Pawned Motor Vehicle for any illegal purpose. You agree to maintain the Pawned Motor Vehicle in its current condition, reasonable wear and tear excepted. Lender may make adjustments to the amounts you are required to pay if the Pawned Motor Vehicle is not delivered to or recovered by Lender in that condition.

**Your payment schedule and right to redeem the Pawned Motor Vehicle:** You may redeem the Pawned Motor Vehicle by paying to Lender the Principal Amount shown above, plus daily-accrual interest at the rate of 0.6600% per day (equivalent to 240.90% or 241.56% annual interest rate, as applicable), in accordance with the due dates shown in the Payment Schedule above. Upon satisfactory completion of your redemption payment of all amounts owed in good and collected funds, Lender upon request will release the certificate of title to the Pawned Motor Vehicle to you.

**Payments to Lender:** You must pay Lender by (a) ACH debit to your designated depository account or (b) such other method that we may authorize in writing from time to time. Before releasing the certificate of title or releasing any other rights, especially with respect to any redemption after repossession, Lender may require that payment be made in good and collected funds by money order, wire transfer or cashier's check.

**Renewal Policy:** While we are not legally required to do so, we may allow you to renew on the same terms unless you advise us in advance that you plan to pay in full on the final-payment due date. Any renewal is not binding on us unless you satisfy our conditions to renew (e.g., paying accrued charges) and we provide you with written confirmation of renewal. To avoid any misunderstandings, you may not assume that your transaction has been renewed unless you have received written confirmation from Lender.

**Delivery of Pawned Motor Vehicle:** If you do not wish to redeem, then you must advise us in writing before the loans' final-payment due date and immediately deliver the Pawned Motor Vehicle to Lender, in its current condition, reasonable wear and tear excepted, at an address Lender may designate. To avoid any misunderstandings, you may not assume that you have properly made timely and adequate arrangements for delivery of the Pawned Motor Vehicle and satisfaction of your obligations under this Pawn Agreement unless you have received written confirmation from Lender.

**Notice of Expiration of Right to Redeem:** Lender may provide consumer with written notice of consumer's right, if any, to redeem the Pawned Motor Vehicle at any time within 10 calendar days from the date of repossession. Lender may not permit redemption by Consumer. If redemption is permitted a redemption fee equal the greater of 10% of the principal loan amount or \$500.00 will be assessed. This fee does not include any repossession fee or associated fees you may be required to pay.

**Interest accrual:** Interest accrues daily, both preaturity and post-maturity, on amounts due and owing at the rate of 0.6600% per day (equivalent to 240.90% or 241.56% annual interest rate, as applicable) until paid, subject to legal limits, if any. Interest accrues daily based upon when payments are received. This means the amount of accrued interest may be different from the amounts shown in the Payment Schedule above since the Payment Schedule above assumes that payments are made on the scheduled due dates. If you pay early, the amount of accrued interest may be less. If you pay late, the amount of accrued interest may be greater. Any adjustments based your actual payment history will be made in the amount of the final payment.

**Allocation of payments:** Payments are applied first to the accrued interest, next to any late charges or returned item fees, and finally to principal. Any partial prepayments will be applied to amounts owing in inverse order of maturity, which means that partial prepayments do not alter the timing or amount of scheduled payments but might cause an adjustment to the amount of the final payment. Any partial prepayments will not allow you to skip scheduled payments.

**Late charge:** You agree to pay a late charge equal to the greater of 5% of the payment amount or \$15.00 for any payment that is late. The late charge may be assessed if your payment is 3 days late.

**Dishonored Item Fee:** If any payment (including an ACH payment that you have authorized) is returned for any reason, you will owe a dishonor fee of \$30.00, and you agree that your account may be debited to collect these fees. You understand that your bank may charge you a fee if you do not have sufficient funds in your account to cover an ACH debit initiated by Lender.

**Consumer's representations and warranties:** Consumer represents and warrants that: (1) consumer has the right to enter into this Pawn Agreement and provide the Pawned Motor Vehicle; (2) consumer is not a debtor under any proceeding in bankruptcy and has no intention to file a petition for relief under any chapter of the United States Bankruptcy Code; (3) consumer is at least 18 years of age; (4) the Pawned Motor Vehicle is not stolen, and, except for the interests in Lender's favor, there are no liens or encumbrances against it; (5) consumer will not attempt to transfer any interest in the Pawned Motor Vehicle until all payments under this Pawn Agreement have been paid in full; (6) the Pawned Motor Vehicle will not be moved from consumer's state of residence except for personal travel not to exceed 15 days; (7) until such time that all amounts due under this Pawn Agreement are fully repaid, consumer will not attempt to seek a duplicate title to Pawned Motor Vehicle; and (8) consumer has fully disclosed to Lender all information regarding the current condition of the Pawned Motor Vehicle.

**Insurance:** Consumer acknowledges and agrees: (a) consumer has and will maintain at least minimum state-required liability insurance; (b) Lender will be named as an additional loss-payee with respect to any collision or property damage insurance with respect to the Motor Vehicle; and (c) at Lender's request, Lender may obtain at consumer's expense such additional insurance, if any, as Lender may request from time to time to protect Lender's interests.

**Notices:** Any notice that Lender is required to provide under this Pawn Agreement or applicable law will be declared reasonable if sent to consumer at the most current mail address or email address, or text message address on Lender's books and records. Any notice the consumer provides to Lender must be sent to Lender at its address indicated above, Attention: Consumer Complaint Department, or such other address as Lender may designate in writing from time to time.

**Default:** Consumer will be in default if any of the following happens: (1) consumer fails to make any redemption payment when due or fails to perform any other requirements under this Pawn Agreement; (2) consumer fails to deliver the Pawned Motor Vehicle when required under the terms of the Pawn Agreement; (3) any representation or statement made or furnished by consumer or on consumer's behalf is false or misleading in any material respect either now or at the time made or furnished; (4) consumer dies or becomes insolvent, or any proceeding is commenced either by consumer or against consumer under any bankruptcy or insolvency laws; (5) consumer fails to maintain consumer's depository account in good standing and in active status or fails to maintain the required amount of funds in consumer's account; or (6) Lender deems itself insecure.

**Lender's rights in the event of default:** Upon the occurrence of any event of default, Lender may, at its option, and without notice or demand, do any one or more of the following, alternatively or cumulatively to the extent permitted by law: (a) treat the whole outstanding balance, less any unearned charges, due and payable under this Pawn Agreement; (b) take possession of the Pawned pursuant to judicial process or without judicial process, or require consumer to return the Pawned Motor Vehicle to Lender at an address Lender may designate; and (c) exercise all other applicable rights, powers and remedies. Lender shall not be required to account to consumer for any surplus, if any, recovered by Lender related to

value of the Pawned Motor Vehicle.

**Costs and expenses:** Lender may recover from consumer reasonable attorneys' fees, legal expenses, and all other lawfully permitted costs incurred or paid in protecting and recovering possession of the Pawned Motor Vehicle; together with interest on all amounts, charges, fees, costs, expenses, and collection costs and fees at the loan rate of 0.6600% per day (equivalent to 340.90% or 241.56% annual interest rate, as applicable) from the date due to or advanced by Lender until paid, subject to legal limits, if any..

**Notice and Waivers:** Except for notices provided in this Pawn Agreement, consumer, and others responsible to the extent permitted by law, waive demand, notice of nonpayment, notice of intention to accelerate, notice of acceleration, presentment, and notice of dishonor. To the extent permitted by law, consumer, and others responsible, also agree: Lender may waive or delay enforcing Lender's rights without losing them; Lender is not required to file suit or arbitrate, show diligence in collection against consumer or others responsible, or go against any of the collateral; Lender may renew, refinance, or rearrange a transaction one or more times without consent; Lender may release or modify any person's liability without changing the stability of others; Lender may substitute, exchange or release the collateral; Lender may sue or arbitrate with one or more persons without joining or suing others.

**Limited Recourse:** This is a pawn transaction. If the Pawned Motor Vehicle is not redeemed, the Pawned Motor Vehicle and any payments made by you shall automatically be forfeited to Lender, and unqualified right, title, and interest in and to the Motor Vehicle shall automatically vest in Lender. Lender shall not be required to account for any surplus, if any, recovered by Lender related to value of the Pawned Motor Vehicle. Subject to the terms of this Pawn Agreement, you are not personally liable for any deficiency in the value of the Pawned Motor Vehicle versus the amounts owed provided you deliver the Pawned Motor Vehicle when required in its current condition, reasonable wear and tear excepted. As provided above, you agree to keep the Pawned Motor Vehicle in its current condition, reasonable wear and tear excepted. Lender may make adjustments to the amounts you are required to pay if the Pawned Motor Vehicle is not delivered to or recovered by Lender in that condition. Also, any limits on your liability under this 'limited recourse' provision do not apply in the event of any fraud or other misconduct on your part, including, without limitation, your creating or not disclosing additional liens, or intentionally concealing or damaging the Pawned Motor Vehicle. This 'limited recourse' provision further does not limit or impair any rights with respect to recovery of the Pawned Motor Vehicle or any amounts not covered by this 'limited recourse' provision.

**GPS:** You understand that the Pawned Motor Vehicle may be equipped with a GPS Device (Device). The Device is designed to ensure that you make payments on time as required by the Pawn Agreement. The Device includes a GPS (global positioning system) tracking unit that can determine at any time where your vehicle is located. The Lender or its designated assignee or representative will not provide any access to or record of the tracking unless required to do so by law, or to enforce any rights Lender or its designated assignee or representative may have to secure payment of any payments due under any contract between us and/or to secure repossession of the Pawned Motor Vehicle as allowed. You understand that the Device is the property of the Lender or its designated assignee. You further understand that if you tamper with, alter, disconnect or remove the Device, you will be considered in default under your Pawn Agreement and will be liable for the cost to replace the device. You understand that the Device must be returned to the Lender upon repayment of loan in full and that the lien will not be released on your title until it is received or until you pay the replacement cost. You understand that only the Lender or its authorized representatives are permitted to perform maintenance on the Device or any of its components should it be required. You agree to make the vehicle available to the Lender or its representatives, during their normal business hours. You understand that the Lender shall have full responsibility for the cost of all repairs to the device, except for repairs caused by your tampering with, altering, disconnecting or removing the device.

**Lender authority:** Consumer authorizes Lender to: (1) call or otherwise communicate with consumer during reasonable hours at home or work to remind consumer when my payment is due; and (2) communicate with consumer in the event of default on the transaction as allowed by law including calling consumer, communicating with consumer in writing or via email or text messaging, or communicating with consumer's personal contacts whom consumer identified in consumer's application to acquire location information.

**Consent to Lender Communications:** To electronically receive, view and save electronic communications from us, you must have an e-mail address, a smart phone, PDA or other device that can receive text messages or a telephone that is capable of recording our voice mail message to you. In connection with our communications with you, you acknowledge that you have that capability and you agree that we are authorized to send email, text messages, and voice mail to you, including using an automated voice and text message system, at the telephone numbers or email addresses you have provided to us. You have the option to receive any information that we have provided electronically in paper form at no cost to you. Your carrier may charge you for text messages and we are not responsible for those charges. You understand that we are not responsible for making a communication to an authorized address or phone number that is (1) retrieved by anyone other than you that you have permitted access to such address or phone number, (2) deleted by you or anyone else with access to your systems prior to retrieving the full message, or (3) unintelligible as a result of any equipment or systems of yours or your carrier. You may opt out of this consent at any time by providing written notice to Lender at its address indicated above. Attention: Opt Out Department or by written communication to such other address as Lender may designate in writing from time to time. Your notice must include your name and each account number that you no longer wish to receive text or voice mail messages. To the extent permitted by law, your right to opt out does not apply to communications regarding your account or transactions you make with us.

**Assignment:** We may assign or transfer any or all of our rights, title and interest under this Pawn Agreement at our discretion. You agree that an assignee shall have the same rights and privileges as Lender. You may not assign your rights under this Pawn Agreement without our written consent.

**Governing Law:** This Agreement shall be governed and construed in accordance with the laws of Cook Islands, and all claims relating to or arising out of the contract, or the breach thereof, as well as its validity, whether sounding in contract, tort or otherwise, shall likewise be governed by the laws of Cook Islands.

Any dispute or difference arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall first be submitted for good faith mediation administered by the Arbitrators' and Mediators' Institute of New Zealand Inc. The parties agree to discuss their differences in good faith and to attempt, with facilitation by the mediator, to reach a consensual resolution of the dispute. The mediation shall be treated as a settlement discussion and shall be confidential. The mediator may not testify for any party in any later proceeding related to the dispute. No recording or transcript shall be made of the mediation proceeding. Each party shall bear its own costs in the mediation. Absent an agreement to the contrary, the fees and expenses of the mediator shall be shared equally by the parties. Mediation shall take place at a place to be designated by the parties in Auckland, New Zealand. No

**Litigation, arbitration or other proceeding shall be commenced prior to sixty (60) days after the parties' first appearance before the mediator. If the matter is not resolved by mediation within sixty (60) days of its submission to the mediator, then the parties shall submit the dispute for arbitration administered by the Arbitrators' and Mediators' Institute of New Zealand under their current Arbitration Protocol. The arbitration will be conducted before a single arbitrator agreed upon by the parties, if they should fail to agree within twenty-one (21) days from the date upon which the dispute arises then to be appointed by the President of the Arbitrators' and Mediators' Institute of New Zealand Inc.**

The arbitrator shall issue his or her final award in a written and reasoned decision to be provided to each party. In his or her decision, the arbitrator will declare one party the prevailing party. The arbitrator shall have the power to award all reasonable legal fees associated with the arbitration and prior mediation. The arbitrator shall have no authority to award non-monetary or equitable relief of any sort. The arbitrator shall not have authority to award damages that are punitive in nature, or that are not measured by the prevailing party's actual compensatory loss. The arbitrator's decision will be confidential and may not be shared with any party unless required by law.

**Entire Application; No Oral Agreements:** For the protection of both you and us, you should not assume that you have any agreement with us on any item unless it is in writing and signed by us. This Agreement and the Advance Voucher represent the final terms and conditions for your application and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no oral agreements between the parties. The terms and conditions may not be modified except in writing signed by the parties.

**Severability:** If any provision of this Agreement is determined to be invalid or unenforceable, such provision shall be reformed if practicable so as to achieve its intended purpose(s) and shall not in any way affect the remaining provisions of this Agreement, or, if necessary, severed with the remaining provisions remaining in full force and effect. Provided, nothing in this Agreement may be construed or modified so as to constitute a waiver of Cook Island's exclusive jurisdiction.

**Caution:** This transaction is not intended to meet long-term financial needs. Repeated or frequent use can create serious financial hardships. Before entering into this transaction, you should evaluate the costs and benefits of alternatives, including, for example, a transaction from another credit or transaction provider, a loan from family or friends, a credit card advance, an advance under an account with overdraft protection, or a salary advance. If you do not redeem on time, you can lose your interest in your motor vehicle.

By electronically signing below: 1. Consumer represents that the information in consumer's Consumer Application is up-to-date, true, correct, and complete; 2. Consumer agrees to the ACH Authorization; 3. Consumer agrees to the Lender's current privacy policy; 4. Consumer agrees to this Agreement; and 5. Consumer acknowledges receipt of a copy of each of these documents.

This Agreement is executed on [ 05/09/2014 ].

**Lender's Signature:** Funding of this loan constitutes signature by Lender.

**Consumer's Electronic Signature:** This Agreement will be deemed incomplete, and we will not provide a loan to you unless it is electronically signed below.

Last Name: [REDACTED]

Borrower's Name as on Application: [REDACTED] Date of Birth (mm/dd/yyyy): [REDACTED]

WHAT DOES AUTOLOANS, LLC DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and income</li> <li>• Account balances and payment history</li> <li>• Transaction or loss history and employment information</li> </ul> When you are no longer our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customer's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customer's personal information; the reasons AUTOLOANS, LLC, chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does AUTOLOANS, LLC share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	Yes	No
For nonaffiliates to market to you	Yes	Yes

Questions?

Call (855) 556-2489.

What we do	
How does AUTOLOANS, LLC protect my personal information?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
How does AUTOLOANS, LLC collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>• Apply for a loan or give us your income information</li> <li>• Provide employment information or provide account information</li> <li>• Give us your contact information.</li> </ul> We also collect your personal information from other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing.

Definitions	
Affiliates	<ul style="list-style-type: none"> <li>• Companies related by common ownership or control. They can be financial and nonfinancial companies.</li> </ul>
Nonaffiliates	<ul style="list-style-type: none"> <li>• Companies not related by common ownership or control. They can be financial and nonfinancial companies.</li> </ul>
Joint marketing	<ul style="list-style-type: none"> <li>• A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</li> </ul>