

VIRGINIA:

IN THE CIRCUIT COURT FOR THE CITY OF RICHMOND  
John Marshall Courts Building

COMMONWEALTH OF VIRGINIA, )  
EX REL. MARK R. HERRING, )  
ATTORNEY GENERAL, )  
) )  
Plaintiff, )  
v. )  
) )  
ALLIED TITLE LENDING, LLC d/b/a ALLIED )  
CASH ADVANCE, )  
a Delaware limited liability company, )  
) )  
SERVE: CT Corporation System, )  
Registered Agent )  
4701 Cox Road, Suite 201 )  
Glen Allen, VA 23060 )  
) )  
Defendant. )  
\_\_\_\_\_ )

Civil Action No. \_\_\_\_\_



COMPLAINT

The Plaintiff, Commonwealth of Virginia, by, through, and at the relation of the Attorney General of Virginia, Mark R. Herring (the "Plaintiff" or the "Commonwealth"), petitions this Court to declare that the activities in which the Defendant, Allied Title Lending, LLC d/b/a Allied Cash Advance ("Allied" or "Defendant"), has engaged constitute violations of the statutes governing consumer finance companies, Virginia Code §§ 6.2-1500 to 6.2-1543, and the Virginia Consumer Protection Act ("VCPA"), Virginia Code §§ 59.1-196 to 59.1-207. The Plaintiff prays that this Court grant the relief requested in this Complaint and states the following in support thereof:

PRELIMINARY STATEMENT

The Consumer Protection Section of the Office of the Attorney General as Plaintiff brings this action against Defendant, a consumer lender with twenty-three (23) physical locations in

Virginia that has provided open-end lines of credit to Virginia consumers at annual interest rates of approximately 273.75% during the period from 2013 to the present. During that period, Defendant has failed to comply with Virginia's open-end credit plan lending laws, rendering it subject to Virginia's consumer finance statutes. The Office of the Attorney General brings this action to recover restitution, civil penalties, attorney's fees and costs, as well as injunctive relief to end Defendant's illegal lending practices.

### **JURISDICTION AND VENUE**

1. The Circuit Court for the City of Richmond has authority to entertain this action and to grant the relief requested herein pursuant to the VCPA, § 6.2-1537 of the consumer finance statutes, and §§ 8.01-620 and 17.1-513 of the Code of Virginia.

2. Venue is proper in this Court pursuant to the mandatory provisions of § 6.2-1537(A) of the consumer finance statutes.

3. In accordance with Virginia Code § 59.1-203(B), prior to commencement of this action, the Plaintiff gave the Defendant written notice that these proceedings were contemplated and a reasonable opportunity to appear before the Office of the Attorney General to demonstrate that no violations of the VCPA had occurred, or, in the alternative, to execute an appropriate Assurance of Voluntary Compliance that is acceptable to the Commonwealth.

4. The Defendant did not demonstrate that no violations had occurred and has not agreed to execute an AVC that was acceptable to the Commonwealth.

### **PARTIES**

5. The Plaintiff is the Commonwealth of Virginia, by, through and at the relation of Mark R. Herring, Attorney General of Virginia.

6. The Defendant, Allied, is a Delaware limited liability company with its principal

place of business in Doral, Florida. Its Certificate of Registration to Transact Business in Virginia was issued by the Virginia State Corporation Commission (“SCC”) on April 29, 2008.

## FACTS

### Consumer Lending in Virginia

7. Small loans in Virginia are regulated by the consumer finance statutes, Virginia Code §§ 6.2-1500 et seq.

8. The consumer finance statutes require all persons making consumer loans at interest rates in excess of 12% to obtain a license through the State Corporation Commission (“SCC”), unless the person qualifies for an exception. *See* Va. Code § 6.2-1501(A).

9. One exception to the consumer finance statutes is for persons “[e]xtending credit as described in § 6.2-312.” *See* Va. Code § 6.2-1501(B)(3).

10. Section 6.2-312 governs open-end credit plan lenders, who extend credit advances to consumers on an open-ended basis and impose interest daily on the outstanding balance until the entire balance is paid in full.

11. Unlike consumer finance lenders, open-end credit plan lenders have few regulations and no statutory limit on the interest rates they may impose. *See* Va. Code §§ 6.2-303, 6.2-312.

12. Defendant is not a licensed consumer finance company and instead attempts to operate as an open-end credit plan lender as a means to impose interest in excess of 12%.

### Background of Defendant’s Presence in Virginia

13. Defendant is owned, operated and managed by the same group of persons who have owned operated and managed the limited liability company, Allied Cash Advance Virginia, LLC (“ACAV”), during its operation in Virginia.

14. Defendant and ACAV have maintained the same places of business, registered

agents, and principal office addresses during their operations in Virginia.

15. Defendant and ACAV have provided loans to Virginia consumers since 2003 in the form of payday loans,<sup>1</sup> car title loans,<sup>2</sup> consumer finance loans,<sup>3</sup> and open-end credit plan loans.

16. In short, Defendant, through operating either under its own name or through its affiliate, ACAV, has intimate knowledge with the nuances of consumer finance lending regulations (or lack thereof) in Virginia.

17. From May 1, 2003 to April 6, 2009, Defendant's affiliate entity, ACAV, was a licensed Virginia payday lender.

18. The General Assembly amended the Payday Lending Act in Virginia effective January 1, 2009, adding several consumer protection regulations which deterred many payday lenders from continuing their payday lending activity.

19. Further, effective April 8, 2009, the General Assembly amended the open-end credit statute, Virginia Code § 6.2-312, to prohibit licensed payday lenders from offering open-end credit plan loans.

20. This amendment also provided that if a payday lender surrendered its license after the April 8, 2009 effective date and switched to open-end credit plan loans, the lender would be precluded from seeking another payday lending license for 10 years.

21. The open-end credit plan loan statute does not include a statutory cap on the permissible interest rate that may be imposed.

22. Two days prior to the time the amendment to the open-end credit plan loan statute

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<sup>1</sup> Defendant's affiliate entity, ACAV, held a payday lending license from 5/1/2003 to 4/6/2009, license no. PL-70.

<sup>2</sup> Defendant held a car title lending license under its own name, from 2/17/2011 to 7/13/2012, license no. VTL-12 and from 8/1/2012 to 8/1/2014, license no. VTL-34.

<sup>3</sup> Defendant held a consumer finance lending license from 10/7/2013 to 1/1/2015 but never exercised its authority to provide consumer finance loans.

became effective, ACAV surrendered its payday lending license.

23. Since that time, Defendant has attempted to provide short-term, small-dollar loans to Virginians in the form of open-end credit plan loans.

Defendant's Purported Open-End Credit Lending Activity

24. During the period from July 28, 2013 through at least July 24, 2017<sup>4</sup> (the "Relevant Period"), Defendant imposed interest at 273.75% annually on its purported open-end credit plan loans with Virginians. A copy of Defendant's "Line of Credit Agreement and Plan" (the "Contract") used during the Relevant Period is attached as **Exhibit 1**.

25. Defendant's open-end credit plan lending activity is governed by the open-end credit plan statute, Virginia Code § 6.2-312.

26. Subsection A of the statute prohibits open-end lenders from imposing a "finance charge" before application of a grace period of at least twenty-five (25) days.<sup>5</sup>

27. In connection with its open-end credit plan loans, Defendant immediately imposed a \$100 origination fee on each loan during the Relevant Period.

28. On the same day the Contract was signed, during the Relevant Period, Defendant generated an initial billing statement, reflecting a one-day billing cycle. A copy of an example of an initial billing statement is attached as **Exhibit 2**.

29. The initial billing statement made clear that the origination fee is added on to the consumer's account on the same day that the consumer receives the loan proceeds, and during this

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<sup>4</sup> Defendant's conduct from July 24, 2017 through the present is unclear to the Plaintiff at the time of filing this Complaint. As explained more fully in Paragraphs 46-50, Defendant has changed its practices at the request of the Plaintiff, but it is not clear that Defendant has ceased its violations of Virginia law.

<sup>5</sup> The subsection reads in full: "Notwithstanding any provision of this chapter other than § 6.2-327, and except as provided in subsection C, a seller or lender engaged in extending credit under an open-end credit plan may impose, on credit extended under the plan, finance charges and other charges and fees at such rates and in such amounts and manner as may be agreed upon by the creditor and the obligor, if under the plan a finance charge is imposed upon the obligor if payment in full of the unpaid balance is not received at the place designated by the creditor prior to the next billing date, which shall be at least 25 days later than the prior billing date."

one-day billing cycle.<sup>6</sup>

30. The initial billing statement also made clear that there is no opportunity to avoid payment of the origination fee, as there is only an opportunity to avoid “additional” finance charges if the new balance is paid in full before the payment due date.

31. The Contract also made clear that the origination fee is “billed to your account when you open this Line of Credit.” *See Exhibit 1*, p. 2.

32. The origination fee is a finance charge within the meaning of the open-end credit plan statute, Virginia Code § 6.2-312.<sup>7</sup>

33. Defendant imposed the origination fee before the expiration of the minimum twenty-five (25) day grace period required by Virginia Code § 6.2-312.

34. While the Contract defined and provided for a “Grace Period” within which the consumer may pay the consumer’s outstanding balance without incurring additional finance charges (also referred to in the Contract as “Contingent Finance Charges”), Defendant’s origination fee was not subject to this Grace Period.

35. Upon information and belief, Defendant has loaned money to many Virginia consumers during the Relevant Period by the use of a purported open-end “line of credit” contract.<sup>8</sup>

36. Upon information and belief, all of these contracts imposed interest in excess of the 12% legal limit, and often or always at approximately 273.75% annually.

37. Upon further information and belief, Defendant imposed a finance charge in the form of an origination fee on these consumer’s accounts during the initial grace period.

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<sup>6</sup> The contract and billing statements attached as exhibits to this Complaint are from the same account, and are both dated April 29, 2016. Identifying information has been redacted to protect the consumer’s privacy.

<sup>7</sup> *See* Virginia Code § 6.2-100, stating that “‘Finance charge’ has the meaning assigned to it in Consumer Financial Protection Bureau Regulation Z, 12 C.F.R. § 1026.4, as amended.”

<sup>8</sup> The exact number of consumers is not known to the Plaintiff at this time. Plaintiff requested this information from Defendant in connection with the January 31, 2017 Notice of Violation (“NOV”) Letter, but Defendant has not provided this information. *See Exhibit 5*.

38. Defendant, therefore, is in violation of, and did not extend credit as described in, the open-end credit plan statute, as it did not comply with the requirement that a lender provide a grace period of at least twenty-five (25) days before imposing any finance charges during the Relevant Period.

#### Pattern of Re-Borrowing by Consumers

39. During the Relevant Period, Defendant treated many of its accounts as a closed-end quasi-payday loan by providing consumers with new contracts for a new account each month, instead of payments on the same open-end account.

40. In these instances, Defendant required the consumer to pay the \$100 origination fee on the first contract, and then permitted the consumer to “re-borrow” the amount due on the first contract and roll it over into the next contract.

41. This pattern of conduct is the hallmark of payday lending.

42. Despite its affiliate ACAV’s surrender of its payday lending license in 2008 and its intentional decision to offer open-end credit loans in Virginia, Defendant maintains on its website that it provides two types of loans: payday loans and installment loans.<sup>9</sup>

43. Defendant conflates the term “payday loan” with “cash advance” on its website, which states “**Another form of payday loan, a cash advance can help get you through to your next paycheck when unexpected expenses arise.**” A screenshot of the website is attached as **Exhibit 3**.

44. By clicking on the “Payday Loan” icon, Defendant’s website takes the consumer to a webpage about “cash advances” and explains:

“Cash advances are designed to help people cover short-term cash needs until their next payday. Also referred to as payday loans, cash advances can be a

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<sup>9</sup> <https://www.alliedcash.com/> (last accessed July 20, 2017).

practical and secure way to tide you over when unexpected expenses crop up.” A screenshot of the website is attached as **Exhibit 4**.

45. Consistent with these website representations, Defendant has treated many of its purportedly “open-end lines of credit” as payday loans.

Investigation by the Office of the Attorney General

46. Defendant has been on notice of Plaintiff’s claims since February 3, 2017, when it received a notice of violation (“NOV”) letter from the Plaintiff advising that the Attorney General had reason to believe that Defendant had violated the VCPA, the open-end credit statute, and the consumer finance statutes. A copy of the NOV Letter is attached as **Exhibit 5**.

47. Defendant continued its practices outlined above from the time it received this letter until at least July 24, 2017.

48. In the course of its investigation, the Plaintiff provided Allied with an opportunity to correct its practices in an effort to comply with Virginia law if it did so by July 24.

49. In response to this opportunity, Allied changed its practices.

50. It is unclear to the Plaintiff how Defendant has implemented its changed practices, and Plaintiff has been unable to determine whether Defendant continues to operate in violation of the open-end credit statute and the consumer finance statutes.

**COUNT I – CONSUMER FINANCE STATUTES**

51. The Plaintiff re-alleges and incorporates herein by reference all matters set forth in paragraphs 1 through 50 above.

52. Defendant has made and continues to make loans to individuals for personal, family, household, or other nonbusiness purposes.

53. Defendant has charged, contracted for, and received interest in excess of 12% annually on its loans with Virginia consumers. Defendant continues to do so through the present.

54. Defendant does not hold now, and has not held since January 1, 2015, a consumer finance license issued by the SCC pursuant to § 6.2-1501 of the consumer finance statutes and is not otherwise exempt from the provisions of those statutes.

55. For the period from July 28, 2013 through January 1, 2015, Defendant held a consumer finance license but did not exercise its authority to make regulated consumer finance loans. It sought instead to avoid such regulation by making solely open-end credit plan loans.

56. Although Defendant has presented its loans as a form of open-end credit plan during the Relevant Period, it did not satisfy the open-end requirements set forth in § 6.2-312, as it imposed finance charges without the application of a minimum twenty-five (25) day grace period.

57. Defendant, therefore, did not extend open-end credit “as described in § 6.2-312” as required by Virginia Code § 6.2-1501(B)(3) during the Relevant Period to qualify for exemption from the consumer finance statute licensure requirement.

58. During the Relevant Period, Defendant was therefore subject to the consumer finance statutes, Virginia Code §§ 6.2-1500 et seq., and in particular, § 6.2-1501 and § 6.2-1541.

59. Pursuant to Virginia Code § 6.2-1541 of the consumer finance statutes, Defendant’s loans during the Relevant Period are null and void and Defendant is prohibited from collecting, obtaining or receiving any principal, interest or charges whatsoever on its loans.

60. Any consumer loans made by Defendant during the Relevant Period, in which Defendant charged, contracted for or received interest or other compensation in excess of 12% per year, are null and void.

61. Defendant may not collect, retain or receive any principal, interest or other charges whatsoever on any such loans.

62. All Virginia consumers who have paid principal, interest or charges on a purported

open-end credit plan loan with Defendant are entitled to restitution, pursuant to Virginia Code § 6.2-1537(C) and § 6.2-1541(B).

## COUNT II – VIRGINIA CONSUMER PROTECTION ACT

63. The Plaintiff re-alleges and incorporates herein by reference all matters set forth in paragraphs 1 through 62 above.

64. Pursuant to Virginia Code § 59.1-197, the VCPA is to be applied as remedial legislation to promote fair and ethical standards of dealing between suppliers and the consuming public.

65. In connection with consumer transactions, the VCPA prohibits suppliers from, among other things:

- a. Misrepresenting that goods or services have certain quantities, characteristics, ingredients, uses, or benefits pursuant to Virginia Code § 59.1-200(A)(5); and
- b. Using any other deception, fraud, false pretense, false promise, or misrepresentation in connection with a consumer transaction pursuant to Virginia Code § 59.1-200(A)(14).

66. During the Relevant Period, Defendant was a “supplier” of “goods” or “services” in connection with “consumer transactions,” as those terms are defined in Virginia Code § 59.1-198, by making loans to Virginians for personal, family or household uses.

67. Defendant violated the VCPA during the Relevant Period through the acts and practices described in this Complaint, including without limitation:

- a. Misrepresenting that consumers were receiving “lines of credit” in instances where it provided consumers with monthly renewal extensions in the form of new loans, akin to a payday loan; and

b. Misrepresenting the legality of charging more than 12% annual interest in the Commonwealth of Virginia in violation of Virginia Code § 6.2-303, § 6.2-1501 and § 59.1-200(A)(5) and (14) in the absence of a usury exception.

67. Defendant willfully engaged in the acts and practices described in this Complaint in violation of the VCPA.

68. After receiving the Plaintiff's NOV Letter, Defendant maintained its practice of violating the provisions of Virginia Code § 6.2-303, § 6.2-312, and § 6.2-1501, rendering its loans usurious and illegal.

69. Individual consumers have suffered losses as a result of the aforesaid violations of the VCPA by Defendant.

#### **PRAYER FOR RELIEF**

WHEREFORE, the Plaintiff, Commonwealth of Virginia, prays that this Court:

A. Permanently enjoin Defendant and its officers, directors, members, managers, employees, agents, successors and assigns from violating § 6.2-1501, § 6.2-312 and § 6.2-303 of the Code of Virginia pursuant to Virginia Code § 6.2-1537(A);

B. Declare that all purported open-end credit plan loans made by the Defendant during the Relevant Period violate § 6.2-1501, § 6.2-312 and § 6.2-303 of the Code of Virginia, and are null and void pursuant to §§ 6.2-1501 and 6.2-1541(A) of the consumer finance statutes;

C. Permanently enjoin the Defendant from any attempt to collect any moneys from borrowers to whom purported open-end credit plan loans were made during the Relevant Period or contracted to be made in violation of § 6.2-1501, § 6.2-312 and § 6.2-303 of the Code of Virginia;

D. Grant judgment to the Commonwealth, as trustee, for the use and benefit of all borrowers of the Defendant during the Relevant Period, in an amount equal to the aggregate of their

repayments of principal and interest, pursuant to § 6.2-1537(C) and § 6.2-1541(B) of the consumer finance statutes;

E. Permanently enjoin Defendant and its officers, directors, members, managers, employees, agents, successors and assigns from violating § 59.1-200 of the VCPA pursuant to Virginia Code § 59.1-203;

F. Grant judgment against the Defendant and award to the Commonwealth all sums necessary to restore to any consumers the money or property acquired from them by Defendant during the Relevant Period in connection with its violations of § 59.1-200 of the VCPA pursuant to Virginia Code § 59.1-205;

G. Enter any additional orders or decrees as may be necessary to restore to any consumers the money or property acquired from them by Defendant during the Relevant Period in connection with its violations of § 59.1-200 of the VCPA pursuant to Virginia Code § 59.1-205;

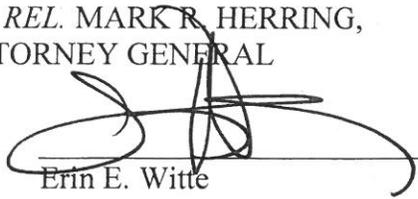
H. Grant judgment against the Defendant and award to the Commonwealth civil penalties of up to \$2,500.00 per violation for each willful violation of § 59.1-200 of the VCPA pursuant to Virginia Code § 59.1-206(A), the exact number of violations to be proven at trial;

I. Grant judgment against the Defendant and award to the Commonwealth its costs, reasonable expenses, and its attorneys' fees pursuant to Virginia Code § 59.1-206(C) and its attorneys' fees and costs pursuant to § 6.2-1537(D); and

J. Grant such other and further relief as this Court deems equitable and proper.

COMMONWEALTH OF VIRGINIA,  
*EX REL.* MARK R. HERRING,  
ATTORNEY GENERAL

By: \_\_\_\_\_

  
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# LINE OF CREDIT AGREEMENT AND PLAN

Account #: [REDACTED]

Credit Limit: \$ 750.00

## COMPANY

Allied Title Lending LLC d/b/a Allied Cash Advance  
Store Address: 6845 Forest Hill Avenue Richmond, VA, 23225  
Store Phone: 804 3206305

## ACCOUNT HOLDER

Name: [REDACTED]  
Address: [REDACTED]

## Account-Opening Disclosures

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Cash Advances	273.75%
Grace Period to Avoid Paying Interest	If you pay in full the new Balance reflected on your periodic billing statement on or prior to the Payment Due Date, and if you paid in full the previous balance due, if applicable, then no additional FINANCE CHARGES (Contingent Finance Charges) will be imposed for the Billing Cycle that begins the day after the Closing Date for the periodic billing statement. If you do not pay in full the new Balance on or prior to the Payment Due Date, then the Contingent FINANCE CHARGES will be imposed on your Account and reflected on your next periodic billing statement.
Fees	
Origination Fee	\$100 origination fee
Penalty Fees: • Late Fee	If you fail to make a Minimum Payment on its Payment Date, then you will incur a late fee of \$15.

**How We Will Calculate Your Balance.** We use a method called the "average daily principal balance (including current transactions)." See your account agreement for more details.

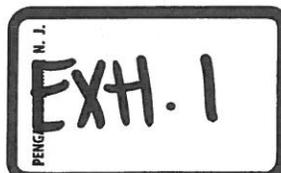
**Billing Rights.** Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

### Notice of Arbitration Agreement; Right to Reject Arbitration Agreement

Before signing this Agreement, you should carefully review the Arbitration Agreement located on pages 5 and 6. The Arbitration Agreement provides that all Claims arising from or relating to this Agreement or any other agreement that you and we have ever entered into must be resolved by binding arbitration if the person or entity against whom a Claim is asserted elects to arbitrate the Claim. Thus, if the person or entity against whom you assert a Claim elects to arbitrate the Claim, then you will not have the following important rights:

- You may not file or maintain a lawsuit in any court except a small claims court.
- You may not join or participate in a class action, act as a class representative or a private attorney general, or consolidate your Claim with the claims of others.
- You will have to pay the arbitration firm certain fees in order to commence an arbitration proceeding, unless you ask us to pay those fees to the arbitration firm for you.
- You give up your right to have a jury decide your Claim.
- You will not be afforded the procedural, pre-trial discovery, and appellate rights in an arbitration proceeding that you would enjoy in a court or judicial proceeding.

If you do not want to arbitrate all Claims as provided in the Arbitration Agreement, then you have the right to reject the Arbitration Agreement. To reject arbitration, you must deliver written notice to us at the following address within 30 days following the date of this Agreement: Allied Cash Advance, Attn: Arbitration Opt-Out, P.O. Box 36381, Cincinnati, Ohio 45236. Nobody else can reject arbitration for you; this method is the only way you can reject the Arbitration Agreement. Your rejection of the Arbitration Agreement will not affect your right to credit, how much credit you receive, or any contract term other than the Arbitration Agreement.



## Line of Credit Agreement

In this Line of Credit Agreement and Plan ("Agreement"), the words "you" and "your" mean each and every account holder who signs this Agreement. "Account" or "LOC" means your Line of Credit account with Allied Title Lending LLC d/b/a Allied Cash Advance ("Company"). The words "we," "our," and "us" mean Allied Title Lending LLC d/b/a Allied Cash Advance.

**Account.** You may take cash advances from this Account from time to time, up to the credit limit and subject to the terms of this Agreement, at the Company location listed above, provided that no portion of any minimum monthly payment is past due and you are not otherwise in default. You will be required to show proof of identification in order to obtain a cash advance from this Account. All cash advances must be at least \$100.

**Minimum Payment.** You will receive a periodic billing statement showing your balance at the beginning of the billing cycle ("Previous Balance"), your balance at the end of the cycle ("New Balance"), the minimum payment due ("Minimum Payment"), and other Account Information. You agree to pay at the Company location listed above, in cash, money order, or certified funds, at least the Minimum Payment shown on your periodic billing statement by the indicated due date ("Payment Due Date"). If a Payment Due Date is scheduled for a Sunday, legal holiday, or any other date on which we are not open for business, then we will credit any payment received on our next business day, as if it were received on the scheduled Payment Due Date. The payment must be received by the close of business in order to be credited on that day. Your Minimum Payment due at the end of your first billing cycle ("Initial Minimum Payment") will equal 10% of the principal portion of your New Balance, plus your entire Origination Fee described below and any other accrued FINANCE CHARGES (if you did not pay your balance in full during the grace period) or other fees you owe. Thereafter, your Minimum Payment will equal 10% of the principal portion of your New Balance, plus any accrued FINANCE CHARGES (if you did not pay your balance in full during the grace period) or other fees you owe. You may pay more frequently, pay more than the Minimum Payment, or pay your balance in full. If you make extra payments or larger payments during any billing cycle, you are still required to make at least the Minimum Payment for subsequent billing cycles, unless you have paid your entire balance in full. Your available credit limit will be restored by the amount of the Outstanding Principal Balance you pay and will be available for future cash advances.

**Daily Periodic Rate.** The daily periodic rate for your Account is 0.75% (corresponding ANNUAL PERCENTAGE RATE is 273.75%).

**Billing Date and Billing Cycle.** The billing date ("Billing Date") is the first day of a billing cycle ("Billing Cycle"). Your first Billing Date is the date of the initial credit extension. If you receive regular income in bi-weekly or weekly intervals, as demonstrated by the latest income-verification information in our records, then your Billing Cycle will be every 28 days. If you receive regular income in semi-monthly or monthly intervals, as demonstrated by the latest income-verification information in our records, then your Billing cycle will be monthly. Your Payment Due Date is the date that you must pay at least the Minimum Payment in order to avoid late fees and to keep the account in good standing.

**Balance Computation Method.** We calculate the periodic FINANCE CHARGE for each Billing cycle of your Account by applying the daily periodic rate to the "average daily principal balance" of your Account (including current transactions) and multiplying the result by the number of days in the cycle. To get the "average daily principal balance," we take the Outstanding Principal Balance of your Account each day, adding any new advances and subtracting any payments and credits received that day. This gives us the daily principal balance. Then we add up the daily principal balances for the billing cycle and divide that total by the number of days in the Billing Cycle. This gives us the "average daily principal balance."

**Origination Fee.** You will be charged an origination fee in the amount listed on page 1 of this Line of Credit Agreement and Plan for the availability of credit under this plan (the "Origination Fee"), which will be billed to your account when you open this Line of Credit.

**How to Avoid Paying Interest (Grace Period).** If you pay in full the new Balance reflected on your periodic billing statement on or prior to the Payment Due Date, then no additional FINANCE CHARGES (Contingent Finance Charges) will be imposed for the Billing Cycle that begins the day after the Closing Date for the periodic billing statement. If you do not pay in full the new Balance on or prior to the Payment Due Date, then the Contingent FINANCE CHARGES will be imposed on your Account and reflected on your next periodic billing statement.

**Late Fee.** If you fail to make a Minimum Payment on its Payment Due Date, then you will incur a late fee of \$15.

**Application of Payments.** Payments are applied in the following order: (a) to pay late charges on your Account; (b) to pay outstanding fees on your Account; (c) to pay FINANCE CHARGES due and owing on your Account; (d) to pay the principal and reduce the balance on your Account.

**Electronic Funds Transfer Authorization.** You hereby authorize us or our agent to initiate one or more electronic debit entries to your bank account listed in your credit application to collect the amounts you owe us under this Agreement, plus any fees that may arise due to your default on this LOC, such as dishonored item fees or late fees. These electronic debit entries or transfers may include, but are not limited to, automated clearing house (ACH) entries, remotely created checks (RCCs), remotely created payment orders, demand drafts, bank checks, bank drafts, or similar payment devices. We may continue to initiate electronic debit entries or transfers to your bank account in amounts less than or equal to the full amount due until any past due amounts you owe are paid in full. Electronic debit entries or transfers initiated to your bank account will generally post on a Billing Cycle's Payment Due Date or, if the Minimum Payment thereafter remains unpaid, on the future date(s) on which you receive regular installments of income. This authorization shall remain in full force until all amounts you owe are paid in full or you revoke this authorization. You may revoke this authorization by providing your bank or us oral or written revocation notice in such a time and manner as will allow your bank or us an opportunity to act on your instruction.

**Additional Representations and Warranties.** You represent and warrant that: (a) you have the right to enter into this Agreement; (b) you are at least 18 years of age; (c) you understand that no credit insurance is offered with this Agreement; and (d) you will notify us immediately in writing of any change of your address or telephone number.

**Default and Right to Cure.** You will be in default under this Agreement: (a) if you fail to make a required Minimum Payment by its Payment Due Date; (b) if you fail to timely comply with or perform any other obligation under this Agreement; (c) if any representation or warranty made by you to use is false or misleading; or (d) if you begin, or if any other person puts you in, a bankruptcy, insolvency, or receivership proceeding. You may cure default by paying all past due Minimum Payments, late fees, and costs or fees, and any accrued interest, unless we declare your entire account immediately due and payable.

**Our Rights in the Event of Default.** If you are in default under this Agreement, we may, at our option and as permitted by law, do any one or more of the following: (a) declare your entire Account balance immediately due and payable, and proceed to collect that balance; (b) close your Account or lower your credit limit; (c) exercise all other rights, powers, and remedies given by law; and (d) recover from you all charges, costs, and expenses, including all collection costs and reasonable attorney's fees, incurred or paid by us in exercising any right, power, or remedy provided to us by law or by this Agreement.

**Joint Liability.** If more than one person signs this Agreement, each of you is jointly and severally liable. We may enforce our rights against one of you without affecting our rights as to the other. We may also release one of you without releasing the other.

**Right to Adjust Amount of Credit, Close Account, Request Income Information, and Duty to Inform About Change in Circumstances.** The credit limit established for your Account is primarily based upon your income as well as your payment history with Allied Title Lending LLC d/b/a Allied Cash Advance. You agree that we have the right to adjust your credit limit or close your Account at any time if we determine that your ability to repay has changed from the date you applied for this line of credit. You agree we have the right to demand proof of your current income from time to time. You understand and acknowledge that your credit limit may be affected by the current income information. You agree to immediately inform us of any significant change in circumstances regarding your income.

**Cancellation.** You may cancel your Account at any time and for any reason by both notifying us in writing that you wish to close your Account and paying your Account balance in full. If we in good faith believe that we are in jeopardy of not being repaid as agreed, then we may suspend making future cash advances on your Account at any time and in our sole discretion. If your Account is in default, we may decide to close it at any time. If there is no activity on your Account for 12 consecutive billing cycles, then your Account will automatically be closed.

**Amendments.** You agree that we may change any of the terms of this Agreement, including but not limited to the method of computing all FINANCE CHARGES, Minimum Payment due, and the applicable daily periodic rate, upon giving you 45 days notice. If we make a change to this Agreement and you do not agree with the change, then you must notify us in writing prior to the effective date of the change. If you do not take this action, then you will have agreed to the change described in the notice. Any change which becomes effective as to you may apply to all then outstanding unpaid indebtedness on your Account, including all cash advances obtained prior to the effective date of the change, as permitted by applicable law. Additional information will be provided in the notice regarding any change in terms.

**General.** You agree that if we grant any waiver, modification, or other indulgence of any kind at any time, it shall apply only to the specific instance involved and will not act as a waiver, modification, or indulgence for any other future act, event, or condition. We may delay enforcing any of our rights under this Agreement without losing them. Time is of the essence in the performance of this Agreement. This Agreement constitutes the entire Agreement between the parties, and no other agreements, representations, or warranties other than those stated herein shall be binding unless reduced to writing and signed by all parties.

**Governing Law.** This Agreement shall be construed, applied, and governed by the laws of the Commonwealth of Virginia, except that the Arbitration Agreement and the Notice of Grievance Agreement, both set forth below, shall be governed by the Federal Arbitration Act ("FAA")

**Affirmative Consent to Receive Commercial E-Mails, Texts, and Phone Calls.** By signing this Agreement, you authorize us to send you commercial e-mail messages to the following e-mail address: [REDACTED]. You also authorize us to initiate commercial text messages, auto-dialed calls, pre-recorded calls, or live phone calls to the following phone number(s), including any mobile phone number(s): [REDACTED]. Finally, you acknowledge that we did not condition your eligibility for this transaction on your agreement to provide the consent described in this paragraph. To opt-out of providing the consent described in this paragraph, contact us at our customer service number set forth on page 1 of this Agreement.

**Additional Acknowledgements.** By signing this Agreement, you acknowledge and agree that it was completed before you signed it and that you were provided a completed copy of it.

CUSTOMER:

[REDACTED]

Customer Signature

Date: 04/29/2016

COMPANY:

Allied Title Lending LLC d/b/a Allied Cash Advance

By [REDACTED]  
Authorized Representative

## Arbitration Agreement

1. Definition of Claim. Claim means any claim, dispute, or controversy arising from or relating to this Agreement, this Transaction, any other agreement or transaction that you and we have ever entered into or completed, or any other conduct or dealing between you and us. A court or arbitrator interpreting the scope of this Arbitration Agreement should broadly construe the meaning of Claim so as to give effect to your and our intention to arbitrate any and all claims, disputes, or controversies that may arise between you and us. Consistent with this broad construction, Claim includes (but is not limited to) each of the claims, disputes, or controversies listed below.

- A Claim includes any dispute or controversy regarding the scope, validity, or enforceability of this Arbitration Agreement. For example, a Claim includes any assertion by you or us that this Arbitration Agreement is unenforceable because applicable usury, lending, or consumer protection laws render the underlying Transaction void or unenforceable. A Claim also includes any assertion by you or us that this Arbitration Agreement is unenforceable because it lacks fairness or mutuality of obligations, conflicts with bankruptcy or other federal laws, improperly limits your or our remedies for the other's violation of laws, or unduly restricts your or our access to the court system. Finally, a Claim includes any assertion by you or us that this Arbitration Agreement is unenforceable because you or we did not receive notice of or understand its provisions, you or we need to discover the filing fees or administrative costs associated with commencing an arbitration proceeding, or you or we believe the arbitration firm or the arbitrator will be unfair or biased.
- A Claim includes any claim that you assert against a person or entity related to us – including our parent company, affiliated companies, directors, officers, employees, agents, and representatives – and any claim that we assert against a person or entity related to you. For the purpose of this Arbitration Agreement, references to *we*, *our*, and *us* and references to *you* and *your* include such related persons or entities. You and we agree that these related persons and entities may elect to arbitrate any Claim asserted against them even though they have not signed this Arbitration Agreement.
- A Claim includes any statutory, tort, contractual, or equitable (i.e., non-monetary) claim. For example, a Claim includes any claim arising under the following: a federal or state statute, act, or legislative enactment; a federal or state administrative regulation or rule; common law (i.e., non-statutory law based on court cases); a local ordinance or zoning code; this Agreement or another contract; a judicial or regulatory decree, order, or consent agreement; or any other type of law.
- Claim includes (but is not limited to) any claim based on your or our conduct before you and we consummated this Transaction. For example, a Claim includes any dispute or controversy regarding our advertising, application processing, or underwriting practices, our communication of credit decisions, or our provision of cost-of-credit or other consumer protection disclosures.
- A Claim includes any request for monetary damages or equitable remedies, whether such request is asserted as a claim, counterclaim, or cross-claim.

2. Mandatory Arbitration Upon Election. Subject to your right to reject arbitration (explained on page 1 of this Agreement) and subject to the small claims court exception (explained below), you and we agree to arbitrate any Claim if the person or entity against whom a Claim is asserted elects to arbitrate the Claim. Consequently, if the person or entity against whom a Claim is asserted elects to arbitrate the Claim, then neither you nor we may file or maintain a lawsuit in any court except a small claims court and neither you nor we may join or participate in a class action, act as a class representative or a private attorney general, or consolidate a Claim with the claims of others. A person or entity against whom a Claim is asserted may elect to arbitrate the Claim by providing oral or written notice to the person asserting the Claim (i.e., the claimant). Such notice need not follow any particular format but must reasonably inform the claimant that arbitration has been elected. For example, if you or we file a lawsuit against the other, then the other provides sufficient notice if the other orally informs the claimant that the other elects to arbitrate the Claim or if the other files a pleading (i.e., a document filed in court) requesting the court to stay (i.e., freeze) the court case and refer the Claim to arbitration.

3. Small Claims Court Exception. You and we may ask a small claims court to decide a Claim so long as no party to the small claims court lawsuit seeks to certify a class, consolidate the claims of multiple persons, or recover damages beyond the jurisdiction of the small claims court. If you file a small claims court lawsuit against us, then we lose the right to elect arbitration of your Claim (but not of other persons' Claims). In contrast, if we file a small claims court lawsuit against you, then you retain the right to elect arbitration of our Claim.

4. Arbitration Firm. The American Arbitration Association ("AAA") (1-800-778-7879, [www.adr.org](http://www.adr.org)) will administer the arbitration of Claims. The AAA will normally apply its Consumer Arbitration Rules then in effect to a Claim but may apply other types of procedural rules – such as the AAA's Commercial Arbitration Rules then in effect – if a party to the arbitration proceeding demonstrates that the application of such other procedural rules is appropriate. No matter what the arbitration firm's procedural rules provide, you and we agree that the arbitrator must issue a written decision and may award any type of remedy – including punitive damages and equitable relief – that a court or jury could award if the Claim were litigated. You and we also agree that an arbitration firm may not arbitrate a Claim as a class action or otherwise consolidate the Claims of multiple persons. You may request a copy of the AAA's Consumer Arbitration Rules and other procedural rules at the toll-free phone number or URL (universal resource locator) identified above. If you object to the AAA as the arbitration firm, then the parties may agree to select a local arbitrator who is a retired judge or a registered arbitrator in good standing with an arbitration firm, provided that such local arbitrator must enforce all the terms of this arbitration agreement, including the class-action waiver. The parties may not select a local arbitrator who refuses to enforce this arbitration agreement, including the class action waiver, because you and we waive any right to arbitrate a Claim on a class-action, representative-action, or

consolidated basis. When attempting to contact AAA or another arbitration firm, please recognize that phone numbers and URLs change frequently; you may need to update the contact information provided above with your own research.

5. Payment of Arbitration Fees; Selection of Forum. If you file a Claim with the AAA or another arbitration firm, the firm will usually ask you to pay a filing fee and may also ask you to pay in advance for some of the expenses the firm will incur when administering the arbitration proceeding. Upon your written request, we will pay to the arbitration firm any fees or advance administrative expenses that the arbitration firm requires you to pay as a condition to your filing a Claim with the firm. Additionally, we will pay any fees or expenses the arbitration firm charges for administering the arbitration proceeding, any fees or expenses the individual arbitrator or arbitrators charge for attending the arbitration hearing, and any fees a court charges you to file a lawsuit appealing the arbitration decision. We will pay these fees and expenses whether or not you prevail in the arbitration proceeding. Finally, we agree to hold the arbitration proceedings in the county of your residence or in any different location in the United States of your choice.

6. Governing Law. You and we acknowledge that this Transaction involves interstate commerce. Accordingly, you and we agree that both the procedural and the substantive provisions of the Federal Arbitration Act, 9 USC §§ 1-16, govern the enforcement, interpretation, and performance of this Arbitration Agreement. Any court with jurisdiction may enforce this Arbitration Agreement. Additionally, any court with jurisdiction may enforce an arbitration decision rendered under this Arbitration Agreement if that arbitration decision has been properly registered as a judgment.

7. Survival; Binding Effect; Severability. You and we retain the right to invoke this Arbitration Agreement and to compel the arbitration of Claims even after your and our respective obligations under this Agreement have been completed, defaulted, rescinded, or discharged in bankruptcy. This Arbitration Agreement binds the heirs, successors, and assigns – including any bankruptcy trustee – of both you and us. Finally, if a court or arbitrator determines that any part of this Arbitration Agreement is unenforceable, then you and we agree that the court or arbitrator must fully enforce the remaining provisions that have not been invalidated.

### Notice-of-Grievance Agreement

If the person or entity against whom a Claim is asserted declines to arbitrate the Claim or if a court or arbitrator determines that the above Arbitration Agreement is unenforceable, then you and we agree that neither you nor we may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from or relates to a Claim until the claimant has provided the other party written notice of the asserted Claim and afforded the other party a reasonable period after the giving of the written notice to take corrective action. If applicable law provides a time period which must elapse before certain action can be taken, then that time period will be deemed reasonable for the purpose of the preceding sentence.

By signing below, you and we agree to the Arbitration Agreement and the Notice-of-Grievance Agreement, each of which is set forth above.

CUSTOMER:



Customer Signature

Date: 04/29/2016

COMPANY:

Allied Title Lending LLC d/b/a Allied Cash Advance

By:



Authorized Representative

## **YOUR BILLING RIGHTS – KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

### **Notify Us In Case of Errors or Questions About Your Bill**

If you think your bill is wrong, or if you need more information about a transaction on your bill, write to us on a separate sheet and mail to: Allied Title Lending LLC d/b/a Allied Cash Advance, Attn: Legal Dept. P.O. Box 36381, Cincinnati, OH 45236-0381. Write to us as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item or amount you are not sure about.

### **Your Rights and Our Responsibilities After We Receive Your Written Notice**

We must acknowledge your letter within 30 days, unless we have corrected the error by then. Within 90 days, we must either correct the error or explain why we believe the bill was correct. After we receive your letter, we cannot try to collect any amount you question, or report you as delinquent. We can continue to bill you for the amount you question, including FINANCE CHARGES, and we can apply any unpaid amount against your credit limit. You do not have to pay any questioned amount while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. If we find that we made a mistake on your bill, you will not have to pay any FINANCE CHARGES, and you will have to make up any missed payments on the questioned amount. In either case, we will send you a statement of the amount you owe and the date that it is due. If you fail to pay the amount that we think you owe, we may report you as delinquent and proceed to collect that amount. However, if our explanation does not satisfy you and you write to us within ten days telling us that you still refuse to pay, we must tell anyone we report you to that you have a question about your bill. And, we must tell you the name of anyone we reported you to. We must tell anyone we report you to that your matter has been settled between us when it finally is. If we don't follow these rules, we can't collect the first \$50 of the questioned amount, even if your bill was correct.



**CASH ADVANCE**

6845 FOREST HILL AVENUE  
RICHMOND, Virginia 23225



**Line of Credit Account Statement**  
**Account Number:** [REDACTED]  
Billing Cycle Dates: 04/29/2016 - 04/29/2016

Summary of Account Activity		
Previous Balance		\$0.00
Payments	-	\$0.00
Other Credits	-	\$0.00
Cash Advances	+	\$600.00
Fees Charged	+	\$100.00
Interest Charged	+	\$0.00
New Balance		\$700.00
Past Due Amount		\$0.00
Credit Limit		\$750.00
Available Credit		\$50.00
Statement Closing Date		04/29/2016
Days in Billing Cycle		1

Payment Information	
<b>New Balance</b>	\$700.00
<b>Minimum Payment Due</b>	\$160.00
<b>Payment Due Date</b>	05/27/2016
<b>Grace Period:</b> If you pay in full the new Balance reflected on your periodic billing statement on or prior to the Payment Due Date, then no additional FINANCE CHARGES (Contingent Finance Charges) will be imposed for the Billing Cycle that begins the day after the Closing Date for the periodic billing statement. If you do not pay in full the new Balance on or prior to the Payment Due Date, then the Contingent FINANCE CHARGES will be imposed on your Account and reflected on your next periodic billing statement.	
<b>Late Fee:</b> If you fail to make a Minimum Payment on its Payment Due Date, then you will incur a late fee of \$15.	

**QUESTIONS?**

Call Customer Service: 1-804-320-6305

Please send billing inquiries and correspondence to:

Loan Billing Department

P.O. box 36381

Cincinnati, OH 45236-0381

Transactions				
Reference Number	Transaction Date	Post Date	Description of Transaction or Credit	Amount
37002846	04/29/2016	04/29/2016	DRAW	\$600.00
Fees				
37002854	04/29/2016	04/29/2016	ORIGINATION FEE	\$100.00
TOTAL FEES FOR THIS PERIOD				\$100.00
Interest Charged				
TOTAL INTEREST FOR THIS PERIOD				\$0.00
2016 Totals Year-to-Date				
Total fees charged in 2016			\$100.00	
Total interest charged in 2016			\$0.00	

**NOTICE: SEE THE NEXT PAGE FOR IMPORTANT INFORMATION**



**Interest Charge Calculation**

Your Annual Percentage Rate (APR) is the annual interest rate on your account

Type of Balance	Annual Percentage Rate (APR)	Balance Subject to Finance Charge*	Interest Charge
Cash Advances	273.75%	\$0.00	\$0.00

\* **Balance Computation Method.** We calculate the periodic finance charge for each billing cycle of your Account by applying the applicable daily periodic rate to the "average daily principal balance" of your Account (including current transactions). To get the "average daily principal balance," we take the Outstanding Principal Balance of your Account each day, adding any new advances and subtracting any payments and credits received that day. This gives us the daily principal balance. Then we add up the daily principal balances for the billing cycle and divide that total by the number of days in the billing cycle. This gives us the "average daily principal balance."

**Billing Rights Summary – In Case of Errors Or Questions About Your Bill**

If you think your bill is wrong, or if you need more information about a transaction on your bill, write us on a separate sheet (at the address shown on your bill) as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and your account number;
- The dollar amount of the suspected error
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate, we cannot report you as delinquent or take any action to collect the amount in question.

Direct Inquiries To:      Loan Billing Department  
   P.O. Box 36381  
   Cincinnati, OH 45236-0381



[Apply Now >](#)

Questions? 1-800-528-1974 [Contact Us](#) | [Store Locator](#)  
[Payday Loans](#) [Installment Loans](#) [How It Works](#) [FAQs](#) [Resources](#)

# Get The Cash You Need Now

We'll put cash in your pocket today\* with a quick, easy and secure payday loan.

[Get Started >](#)



## Allied Loan Services

Another form of a payday loan, a cash advance can help get you through to your next paycheck when unexpected expenses arise. Step into one of our convenient store locations to apply, and avoid things like late fees, overdraft charges, and reconnect/reactivation fees.

### How It Works

- 1 Send your information
- 2 Get a quick response
- 3 Receive your funds\*

EXH. 3

Home > Products > Cash Advances

## How a cash advance works

1. **Apply in minutes** in store or fill out our online form and your information will immediately be forwarded to our lending partners for online loans.
2. **Receive notification** once your application is approved.
3. **Customize your loan** according to your needs and payment schedule.
4. **Repay your loan** and fees or, in some states, extend your due date.

Get Started →

## FAQs

### Cash Advance FAQs

#### Find a location

Each state has its own rates and terms. Enter your information below to find a location.

city or zip

## Cash Advances

Cash advances are designed to help people cover short-term cash needs until their next payday. Also referred to as payday loans, cash advances can be a practical and secure way to tide you over when unexpected expenses crop up. If you have expenses related to an auto accident, emergency medical expenses, or other unexpected bills, a cash advance could help you bridge the gap.

A cash advance typically ranges from \$50 to \$1,500, depending on the state where you live. The amount borrowed, along with a small fee, is typically due on your next payday.

Visit one of our stores to apply today. Once approved, you will receive your funds immediately.

Depending on your state of residence, you may be eligible for an online loan. Simply complete our online form, and we will forward your information to one of our lending partners for online loans.





# COMMONWEALTH of VIRGINIA

Office of the Attorney General

Mark R. Herring  
Attorney General

202 North Ninth Street  
Richmond, Virginia 23219  
804-786-2071  
Fax 804-786-1991  
Virginia Relay Services  
800-828-1120  
7-1-1

January 31, 2017

**VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED**

CT Corporation System, Registered Agent  
Allied Title Lending, LLC d/b/a Allied Cash Advance  
4701 Cox Road, Suite 285  
Glen Allen, Virginia 23060

Re: **Allied Title Lending, LLC**

Dear Sir or Madam:

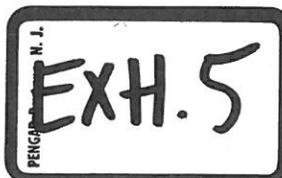
I am writing to you in your official capacity as Registered Agent for Allied Title Lending, LLC ("Allied"). This Office has authority to investigate possible violations of, and enforce, among other statutes, the statutes applicable to consumer finance companies, Virginia Code Ann. §§ 6.2-1500 to 6.2-1543, and the Virginia Consumer Protection Act ("VCPA"), Virginia Code Ann. §§ 59.1-196 to 59.1-207.

Based upon our review of materials provided to this Office, and our own investigation, we have reason to believe that Allied has violated § 6.2-1501 by charging interest in excess of 12% annually without having obtained a license from the State Corporation Commission, and by imposing finance charges prior to expiration of the 25-day grace period required by § 6.2-312. We also have reason to believe that Allied has violated Virginia Code Ann. § 59.1-200(A)(14) by misrepresenting the nature and character of the loan product it offers to Virginia consumers.

The consumer finance statutes and the VCPA authorize this Office to bring an action to enjoin any violation of those statutes and to seek monetary and/or injunctive relief, restitution, civil penalties, and reimbursement of the Commonwealth's attorneys' fees and costs.

Please be advised that this Office is contemplating filing suit against Allied to obtain appropriate relief under the statutes applicable to consumer finance companies and the VCPA. Pursuant to § 59.1-203 of the VCPA, this Office is providing an opportunity for Allied to appear in this Office to attempt to explain that no violations have occurred. If no adequate explanation is or can be provided, Allied may have the opportunity to execute an appropriate assurance of voluntary compliance with this Office. If Allied cannot provide an adequate explanation, and refuses to execute an appropriate assurance of voluntary compliance, we may file suit without further notice.

If Allied desires to appear and provide an explanation, you or another representative of the



company are welcome to give me a call and arrange a meeting. On the other hand, if Allied does not wish to attempt to explain that no violations have occurred, but is instead interested in executing an appropriate assurance of voluntary compliance, you or another representative should call to inform me of that as well. I can be reached at (804) 786-5632. We would appreciate a response of some sort by no later than **February 14, 2017**. If we do not hear anything from Allied by that date, we will assume that Allied does not wish to pursue either of the alternatives described.

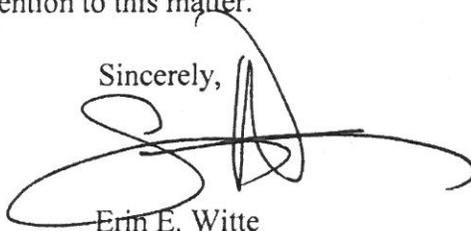
If Allied desires a meeting, we also ask that Allied provide us with copies of the following documents at least seven (7) days in advance of the scheduled meeting:

1. Copies of all form loan contracts that Allied has used in Virginia or with Virginia borrowers since April 2009, and information detailing the time periods for which each form contract was used.
2. Copies of all loan agreements (with their respective account documentation, periodic statements, and payments histories) for all Virginia consumers who have contracted with Allied since April 2009.
3. Documentation indicating the total number of loans that Allied made in Virginia or to Virginia borrowers since April 2009.

In this regard, if Allied has a document retention or destruction policy, it is asked to suspend it immediately. Regardless of whether Allied currently has such a policy, it is asked to take precautions to ensure that none of the documents requested above are inadvertently or intentionally destroyed.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erin E. Witte', with a large, sweeping flourish extending to the right.

Erin E. Witte  
Assistant Attorney General  
Consumer Protection Section  
Predatory Lending Unit