

**IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA**

**STATE OF GEORGIA ex rel.
Christopher M. Carr, Attorney General of the
State of Georgia,**

COMPLAINANT,

v.

**FIRST AMERICAN TITLE LENDING
OF GEORGIA, LLC,**

RESPONDENT.

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CIVIL ACTION FILE 2017CV297877
NO. _____

ASSURANCE OF VOLUNTARY COMPLIANCE

Pursuant to O.C.G.A. § 10-1-390 *et seq.*, the Fair Business Practices Act (“FBPA”), Christopher M. Carr, Attorney General of the State of Georgia (“Attorney General”), has initiated an investigation and examination of certain acts or practices First American Title Lending of Georgia, LLC (“Respondent”). To resolve the issues that are the subject of this investigation, the parties are willing to enter into an Assurance of Voluntary Compliance (“Assurance”) pursuant to O.C.G.A. § 10-1-402. It is therefore stipulated and agreed as follows:

I.

Respondent has engaged in consumer transactions, acts, or practices in the conduct of trade or commerce in part or wholly within the State of Georgia, as defined in O.C.G.A. § 10-1-392.

II.

Respondent is a foreign limited liability company whose principal office address is 6045 Century Oaks Drive, Chattanooga, Tennessee, 37416. Service of process upon Respondent may be effected by serving its registered agent and/or counsel, Traci Fant, Esq.

III.

The parties acknowledge that jurisdiction and venue shall lie in the Superior Court of Fulton County, Georgia.

IV.

The Attorney General contends that Respondent has engaged in unfair or deceptive acts or practices during the course of consumer transactions in trade or commerce, as declared unlawful by O.C.G.A. § 10-1-390 *et seq.* Specifically, the Attorney General alleges that Respondent engaged in the following unlawful, unfair or deceptive acts or practices:

- A. Attempting to hold consumers personally liable for principal, interest, fees, and/or other costs for which the consumers are not liable. This alleged conduct violates O.C.G.A. § 10-1-393(a).
- B. Failing to include most prominently in any and all types of advertisements the word “pawn” or the words “pawn transaction,” and/or using the term “loan” in advertisements or in connection with any advertising of the business, in violation of O.C.G.A. § 44-12-138(a)(1). This alleged conduct violates O.C.G.A. § 10-1-393(a).
- C. Threatening consumers that you will file arrest warrants when you do not have authority to take such action. This alleged conduct violates O.C.G.A. § 10-1-393(a).

V.

Pursuant to O.C.G.A. §§ 10-1-397 (b) and 10-1-402, which provide that an Assurance of Voluntary Compliance shall not be considered an admission of violation of the FBPA for any purpose, Respondent hereby enters into this Assurance to resolve this matter without the necessity of formal legal action. Acceptance of this Assurance by the Attorney General does not constitute approval of any of Respondent’s business practices by the Attorney General.

VI.

In accepting this Assurance, the Attorney General hereby agrees not to initiate further legal action against Respondent concerning the matters covered in this Assurance; subject, however, to the provisions of O.C.G.A. § 10-1-402, and contingent upon Respondent's full compliance with all the terms and conditions set forth herein.

VII.

Respondent hereby acknowledges receipt of a copy of the Fair Business Practices Act. Respondent further expressly acknowledges its awareness and understanding of these statutes and their provisions.

VIII.

Respondent, its members, officers, agents, employees, representatives, servants, and all persons acting in concert with the Respondent shall comply with the following:

- A. Respondent shall act in full compliance with the FBPA, and Respondent shall implement policies and procedures to ensure that Respondent's agents, employees, and representatives act in fully compliance with the FBPA and the conditions of this Assurance.
- B. Respondent shall not attempt to hold consumers personally liable for principal, interest, fees, and/or other costs for which the consumers are not liable, including principal, interest, fees, and/or other costs associated with pawn transactions.
- C. In all representations to consumers, Respondent shall clearly and conspicuously represent that it is offering pawn transactions, and Respondent shall not mischaracterize its offerings as loans.

1. In any advertisements or in connection with any advertising of the business, Respondent shall include most prominently the word “pawn” or the words “pawn transaction”;
 2. In any advertisements or in connection with any advertising of the business, Respondent shall not use the term “loan(s)” when offering its pawn product.
- D. Respondent shall not threaten consumers with actions Respondent does not have authority to take, including the filing of arrest warrants.
- E. Respondent shall respond in a timely manner, but in no case later than five (5) days, to all inquiries from the Attorney General’s office related to the subject of this Assurance.

IX.

Respondents shall provide to the Attorney General records reflecting all civil actions filed by Respondent against consumers attempting to hold consumers personally liable for principal, interest, fees, and/or other costs associated with a pawn transaction since March 1, 2015 (“Accounts”), and the records will be on file with the Attorney General and not attached to this Assurance to protect the identity and privacy of the consumers For all consumers identified in the Accounts, Respondent Shall:

- A. Take all appropriate steps to dismiss with prejudice any pending actions, within sixty (60) days of filing of this Assurance;
- B. Take all appropriate steps to have any judgments entered against such consumers vacated, within ninety (90) days of filing of this Assurance; and,
- C. Refund all payments from consumers following the filing of the civil action within sixty (60) days of filing of this Assurance.

2. Respondent shall provide evidence of such restitution payments to CPU within thirty (30) days of the payments; and,
3. Evidence of payments by Respondent to consumers shall consist of copies of documents (e.g. cancelled checks) which confirm that each consumer due restitution was paid, the amount of the payment, and the date of the payment.
4. If any payment is returned or if Respondent is unable to locate any consumer who is deemed to be due a restitution payment, Respondent shall:
 - a. Provide to CPU copies of the postmarked returned envelopes for each such consumer or explanation why the payment could not be made; and
 - b. Take reasonable steps to locate the consumer, but if the consumer is not located, or does not cash his/her refund check within sixty (60) days of the mailed date, deliver any funds due to that person to the Georgia Commissioner of Revenue (the "Commissioner") as instructed by the "Disposition of Unclaimed Property Act," O.C.G.A. § 44-12-190, et seq. Along with those funds, Respondent shall provide a report with all available information requested by the Commissioner to handle the funds as unclaimed property. Respondent should copy CPU on all written communication with the Commissioner, and Respondent shall submit to CPU copies of this report, as well as proof of payment of the funds submitted to the Commissioner.
5. The payments which Respondent shall refund are specified in the Accounts and amount to a total of \$89,322.00.

D. Respondent shall release all liens to such consumers' titles (as applicable) and return the titles to the consumers. As specified in the Accounts, these liens currently secure \$107,251.69 of alleged debt.

E. Respondent shall provide to CPU records evidencing all steps taken pursuant to paragraph IX(A) of this Assurance to dismiss pending actions, all steps taken pursuant to paragraph IX(B) of this Assurance to vacate any judgments entered against consumers, and the results and/or resolutions of such actions, within one-hundred and twenty (120) days of filing of this Assurance.

X.

Respondent shall remit the following:

- A. Court Costs. Upon submission of this Assurance to the Attorney General, a filing fee in the amount of ONE HUNDRED ONE AND 18/100 DOLLARS (\$101.18) shall be paid by certified check or money order made payable to "Department of Law."
- B. NINETY THOUSAND AND 00/100 DOLLARS (\$90,000.00), to be used by the Attorney General's Office for purposes that may include, but are not limited to, civil penalties, attorneys' fees, and other costs of investigation and litigation, or to be placed in, or applied to, any consumer protection law enforcement fund, including future consumer protection or privacy enforcement, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of the Attorney General. Respondent shall pay said payments by certified check or money order payable to the Georgia Department of Law in installments as follows:

1. The first installment of TWENTY FIVE THOUSAND AND 00/100 DOLLARS (\$25,000.00) shall be paid upon submission of this Assurance to the Attorney General.
2. One final installment of SIXTY FIVE THOUSAND AND 00/100 DOLLARS (\$65,000.00) shall be paid no later than December 1, 2020. Payment of the final installment will be waived if all of the following conditions have been met:
 - a. Respondent has complied in full with the provisions of this Assurance; and,
 - b. The Attorney General has received no additional verifiable, actionable complaints that implicate violations of this Assurance, following the execution of this Assurance, and are attributable to the Respondent, its agents, employees, independent contractors, or representatives, prior to the date on which the final installment is due. The Attorney General shall provide Respondent with the opportunity to provide an explanation or refute any complaint that is made under this provision.
- C. If Respondent violates any provision of this Assurance, the entire amount for all payments that have not already been paid as required under this Assurance described in Paragraphs IX and X shall become immediately due and payable to the Attorney General, and Respondent shall be required to immediately remit the balance to the Attorney General.

XI.

This Assurance, when accepted by the Attorney General, shall bind Respondent and its successors and/or assigns who take with notice of the terms and provisions thereof. Respondent hereby agrees to give notice of this Assurance to its successors and/or assigns, principals, officers, directors, owners, and employees/agents.

This Assurance, made and entered into by and between the undersigned parties, is effective upon the date of acceptance by the Attorney General.

Proposed, consented and agreed to by:

First American Title Lending of Georgia, LLC

Randall McCoy
By: Randall McCoy, Chief Executive Officer

Date: 11/1/2017

Sworn to and subscribed before me, this 1st day of NOV, 2017.

Denita Barnes
NOTARY PUBLIC
My commission expires: Dec 8, 2019



First American Title Lending of Georgia, LLC

Jeffrey Mowery
By: Jeffrey Mowery, President

Date: 11/1/2017

Sworn to and subscribed before me, this 1st day of NOV, 2017.

Denita Barnes
NOTARY PUBLIC
My commission expires: Dec 8, 2019



ACCEPTED BY:

Christopher M. Carr
Christopher M. Carr
Attorney General of the State of Georgia

Date: 11/13/2017