

UNITED STATES OF AMERICA  
Before the  
CONSUMER FINANCIAL PROTECTION BUREAU

_____	)	
ADMINISTRATIVE PROCEEDING	)	
File No. 2015-CFPB-0029	)	
	)	<b>RESPONDENTS' LIST</b>
In the matter of:	)	<b>OF CONTROVERTED</b>
	)	<b>ISSUES OF FACT</b>
	)	
INTEGRITY ADVANCE, LLC and	)	
JAMES R. CARNES	)	
_____	)	

**RESPONDENTS' LIST OF CONTROVERTED ISSUES OF FACT**

On March 9, 2016, this Court issued an Order Directing Parties to Meet and Confer for the Purpose of Entering Into Joint Stipulations of Fact (“Order”), instructing the parties in the above-captioned proceeding to develop and file a joint stipulation of uncontested facts to inform oral arguments on Respondents’ Motion to Dismiss the Notice of Charges. On March 23, the Consumer Financial Protection Bureau (“CFPB” or “Bureau”) filed the Parties’ Joint Stipulations of Fact and two exhibits on behalf of itself and Respondents Integrity Advance, LLC and James R. Carnes.

This Court also ordered that the parties submit a list of controverted issues of fact where the opposing party “proposes a stipulation which cannot be agreed to.” Order at 1. This Court ordered that the list of controverted issues of fact contain (1) the party’s objection to the proposed stipulation of fact, (2) the factual basis of the party’s objection, and (3) a specific list of the legal authority that supports the party’s position. *See id.*

The parties exchanged initial draft lists of proposed stipulations on March 17. The parties met and conferred regarding the lists on March 21. The parties exchanged revised lists on March

22, and continued to coordinate with regard to the Order on March 23. The chart set out below responds to the Bureau's proposed stipulations of fact to which Respondents do not stipulate.

Respondents generally object to the number and scope of the Bureau's proposed stipulations of fact. The proposed stipulations—184 controverted proposals, in addition to the joint stipulations—far exceed what would be necessary to comprehensively set out the uncontested statements of fact needed to “narrow the issues in dispute and clarify the positions of the parties in anticipation of the upcoming oral argument on Respondents' Motion to Dismiss.” *Id.* In requesting, pursuant to the Order, that Respondents stipulate to statements of fact and conclusions of law covering, presumably, almost every aspect of the Bureau's case, Enforcement Counsel effectively (and improperly) shifts its burden of proof in this matter to the Respondents. *See* 12 C.F.R. § 1081.203(a) (“Enforcement counsel shall have the burden of proof of the ultimate issue(s) of the Bureau's claims at the hearing.”).

Respondents' objections to the Bureau's proposed stipulations of fact fall into one or more of six discreet categories of objections:

**A. The proposed statement of fact calls for a conclusion of law.**

Approximately sixty of the Bureau's proposed stipulations of fact (roughly one-third of list below) call for the Respondents to stipulate to conclusions of law regarding the Bureau's authority or elements of its claims under the Truth in Lending Act (“TILA”) and Regulation Z, Electronic Fund Transfer Act (“EFTA”) and Regulation E, and the Consumer Financial Protection Act (“CFPA”). However, drawing legal conclusions is the role of this Court, not the parties. *See H. Hackfeld & Co. v. United States*, 197 U.S. 442 (1905) (“It may be conceded that where the facts are all stated, the court cannot be concluded by a stipulation of the parties as to the legal conclusions to be drawn therefrom . . . .”); *see also Swift & Co. v. Hocking Valley Ry.*

*Co.*, 243 U.S. 281, 289–90 (1917) (“If the stipulation is to be treated as an agreement concerning the legal effect of admitted facts, it is obviously inoperative; since the court cannot be controlled by agreement of counsel on a subsidiary question of law.”).

Conclusions of law are not factual issues to which Respondents can stipulate. *Saviano v. C.I.R.*, 765 F.2d 643, 645 (7th Cir. 1985) (“[P]arties may not stipulate to the legal conclusions to be reached by the court.”); *TI Fed. Credit Union v. DelBonis*, 72 F.3d 921, 928 (1st Cir. 1995) (same). Moreover, courts have held in other contexts (under Rule 36 of the Federal Rules of Procedure) that seeking admissions of conclusions of law is improper. *See, e.g., United States v. Schine Chain Theatres*, 4 F.R.D. 109 (W.D.N.Y. 1944) (noting that a governmental plaintiff’s request for admission or denial as to an element of liability under Section 1 of the Sherman Act was improper); *Mahaney v. Doering*, 260 F. Supp. 1006, 1008 (E.D. Pa. 1966) (stating that a request for admission of matter of law as opposed to relevant matter of fact is improper).

**B. The proposed statement of fact contains characterizations or hypotheticals to which Respondents cannot stipulate.**

Many of the Bureau’s proposals contain characterization or hypotheticals to which Respondents cannot stipulate. Courts have held in other contexts (under Rule 36 of the Federal Rules of Procedure) that requests for admissions that contain implications or characterizations that go beyond a specific factual admission are objectionable and do not constitute valid statements of fact. *Cf. Johnstone v. Cronlund*, 25 F.R.D. 42, 45 (E.D. Pa. 1960) (“Requests which are phrased so as to infer unfairly a particular or varied conclusion from the fact admitted are objectionable. Likewise, requests which are half-truths are objectionable if such half-truths would infer a conclusion different from the whole truth.”) (internal citation omitted). Moreover, “a requesting party should not state ‘half of fact’ or ‘half truths’ which require the answering party to qualify responses.” *Havenfield Corp. v. H & R Block, Inc.*, 67 F.R.D. 93, 96-97 (W.D. Mo. 1973).

**C. The proposed statement of fact contains characterizations, mischaracterizations, and generalized descriptions of the contents and effect of documents.**

Several of the Bureau's proposed stipulations involve, as a general matter, what Integrity Advance's applications and/or loan agreements said, did, or may have been interpreted to say or do by consumers. Respondents cannot join these proposals because they attempt to characterize a document through paraphrasing, general descriptions, and conclusions, when the document speaks for itself. Courts have noted, in evidentiary contexts, that descriptions of documents are inappropriate as evidence. *See Music Grp. Macao Commer. Offshore, Ltd. v. Foote*, 2015 U.S. Dist. LEXIS 81415 (N.D. Cal. June 22, 2015) ("The Court will consider the letter itself, but not defense counsel's description of the document's contents."). Indeed, Respondents have stipulated to the authenticity of certain forms. *See Parties' Joint Stipulations of Fact* (No. 12).

**D. The proposed statement of fact is not an accurate recitation of admissible facts suitable for joint stipulation.**

Proposals that seek stipulation to facts that may be inadmissible are inappropriate, since "[o]nce a stipulation of fact is made, 'the one party need offer no evidence to prove it and the [o]ther is not allowed to disprove it.'" *U.S. ex rel. Miller v. Bill Harbert Int'l Const., Inc.*, 608 F.3d 871, 889 (D.C. Cir. 2010) (quoting 9 Wigmore, Evidence § 2588 (Chadbourn rev. 1981)).

**E. Respondents have inadequate knowledge or information sufficient to form a belief as to the proposed statement of fact.**

Respondents cannot join a stipulation to proposed statements of fact for which Respondents do not have sufficient knowledge or information to form a belief as to the statement of fact.

**F. The proposed statement of fact is not necessarily accurate.**

Respondents cannot join proposed stipulations that Respondents do not know to be entirely accurate.

**RESPONDENTS’ OBJECTIONS TO BUREAU’S PROPOSED STIPULATIONS**

#	Bureau’s Proposed Stipulations	Respondents’ Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
1	The Bureau is authorized to enforce federal consumer-financial law. 12 U.S.C. §§ 5511(c)(4), 5512(a), 5563, 5564.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2. <sup>1</sup>  12 U.S.C. §§ 5511(c)(4), 5512(a), 5563, 5564.
2	Federal consumer financial law includes the Truth in Lending Act (‘TILA’), 15 U.S.C. §§ 1601 et seq., and the Electronic Fund Transfer Act (‘EFTA’), 15 U.S.C. §§ 1693 et seq., except with respect to Section 920 of EFTA. 12 U.S.C. § 5481(12)(C), (O), (14).	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  15 U.S.C. §§ 1601 <i>et seq.</i> ; 15 U.S.C. §§ 1693 <i>et seq.</i>
3	The Bureau has jurisdiction over this matter pursuant to Sections 1053 and 1055 of the Consumer Financial Protection Act (‘CFPA’). 12 U.S.C. §§ 5563, 5565.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  12 U.S.C. §§ 5563 (covering “hearings and adjudicative proceedings”), 5565 (covering “relief available”).
4	Under 12 U.S.C. § 5563, the Bureau may bring adjudication proceedings to enforce federal consumer financial law.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  <i>See generally</i> 12 U.S.C. § 5563 (“covering hearings and adjudicative proceedings”).

<sup>1</sup> To reduce repetition and aid the Court’s review of Respondents’ Objections to the Bureau’s Proposed Stipulations, the column titled “Supporting Legal Authority” often refers back to the discussion and citations included in the previous lettered sections, in addition to citations to the statutes, regulations, and/or case law at issue.

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
5	Carnes directly or indirectly supervised all Integrity Advance employees.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.
6	Carnes made the final decision whether to hire all Integrity Advance employees.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.
7	Carnes worked in the office with other Integrity Advance executives on a daily basis.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.
8	Carnes had an open door policy and was accessible to any Integrity Advance employee who wanted to talk.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.
9	Carnes spoke daily with Integrity Advance Chief Operating Officer Edward Foster.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.
10	Carnes met with Integrity Advance Chief Operating Officer Edward Foster "a few times a week" about Integrity Advance business.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.
11	As CEO, Carnes had the authority to make all decisions governing Integrity Advance's policies and procedures.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.
12	Carnes reviewed the template attached as Ex. A before it was used to generate loan contracts.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.
13	Carnes approved the use of the template attached as Ex. A.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
14	Carnes reviewed the template attached as Ex. B before it was used to generate loan contracts.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.
15	Carnes approved the use of the template attached as Ex. B.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.
16	Integrity Advance generated all of its contracts with consumers using either the template attached as Ex. A or the template attached as Ex. B.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See</i> Section D at p.4.
17	Integrity Advance, either directly or through a third party vendor, serviced the loans that it originated.	The proposed stipulation is not necessarily accurate.	
18	Integrity Advance, either directly or through a third party vendor, collected money from consumers related to the loans it originated.	The proposed stipulation is not necessarily accurate.	
19	A majority of Integrity Advance consumers applied for a loan with the company through an online lead generator website.	The proposed stipulation is not necessarily accurate.	
20	The lead generator websites did not contain information about loan terms specific to Integrity Advance's loans.	Respondents have inadequate knowledge or information sufficient to form a belief as to the proposed stipulation.	

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21	The lead generator websites did not contain information about loan costs specific to Integrity Advance's loans.	Respondents have inadequate knowledge or information sufficient to form a belief as to the proposed stipulation.	
22	Integrity Advance consumers did not know the APR for their loan until after they had completed an online application.	Respondents have inadequate knowledge or information sufficient to form a belief as to the proposed stipulation.	
23	When consumers completed an application on a lead generator website, their information was forwarded to Integrity Advance.	The proposed stipulation is not necessarily accurate.	
24	Integrity Advance used the consumer's information to populate the Integrity Advance application and loan documents.	The proposed stipulation is not necessarily accurate.	
25	Integrity Advance presented consumers with loan documents in two formats.	The proposed stipulation is not necessarily accurate.	
26	In one format, Integrity Advance presented the completed loan documents in four individual pieces: the application, the loan agreement, the ACH authorization, and the arbitration agreement.	The proposed stipulation is not necessarily accurate.	
27	In another format, Integrity Advance presented the application, the loan agreement, the ACH authorization, and the arbitration agreement as a single document.	The proposed stipulation is not necessarily accurate.	



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28	After Integrity Advance approved the loans, it sent some Integrity Advance consumers an electronic copy of the all loan documents presented as a single document.	The proposed stipulation is not necessarily accurate.	
29	Not every Integrity Advance consumer received a copy of their signed loan documents.	Respondents have inadequate knowledge or information sufficient to form a belief as this proposed stipulation.	
30	Each completed loan agreement sent to consumers included a Truth in Lending disclosure in a box (the 'TILA box').	Respondents cannot stipulate to a general description of the contents or operation of a document. The document speaks for itself.	<i>See Section C at p.4.</i>
31	The TILA box stated the loan APR, finance charge, amount financed, and total of payments.	Respondents cannot stipulate to a general description of the contents or operation of a document. The document speaks for itself.	<i>See Section C at p.4.</i>
32	For each loan originated by the company, Integrity Advance calculated each part of the TILA box by assuming that the loan would be repaid in a single payment.	The proposed stipulation is not necessarily accurate.	
33	Some Integrity Advance contracts included a statement immediately below the TILA boxes stating that the payment schedule was "one (1) payment" of a sum equal to the loan amount plus a single finance charge.	The proposed stipulation is not necessarily accurate.	

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34	All Integrity advance contracts based on Ex. A included a statement immediately below the TILA boxes stating that the payment schedule was "one (1) payment" of a sum equal to the loan amount plus a single finance charge.	The proposed stipulation is not necessarily accurate.	
35	Some Integrity Advance contracts contained a statement below the TILA box that read "Itemization of Amount Financed."	Respondents cannot stipulate to a general description of the contents or operation of a document. The document speaks for itself.	<i>See</i> Section C at p.4.
36	For a \$500 loan to a new consumer, the itemization of amount financed would include the following language: "Amount given to you directly: \$500. Amount paid on Loan# [xx] with us: \$650."	Respondents cannot stipulate to the proposed hypothetical situation.	
37	Unless a consumer contacted Integrity Advance to change the terms of her loan, Integrity Advance auto-renewed the consumer's loan.	The proposed stipulation contains inherent characterizations that preclude factual stipulation.	<i>See</i> Section B at p.3.
38	In order to prevent Integrity Advance from auto-renewing the loan, a consumer had to contact Integrity Advance three business days before the payment was due and change the payment option.	The proposed stipulation contains inherent characterizations that preclude factual stipulation.  The proposed stipulation is not necessarily accurate.	<i>See</i> Section B at p.3.

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39	If a consumer did not contact Integrity Advance three business days prior to a payment due date to change the payment option, Integrity Advance automatically renewed the loan up to four times.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
40	The default payment option in all Integrity Advance consumer contracts was the auto-renewal option.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
41	After four auto-renewals, the default payment option for all Integrity Advance consumer contracts was the auto-workout option.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
42	In order to change the terms of the contract to the pay-in-full payment option, a consumer had to contact Integrity Advance three business days prior to the payment due date and change the payment option.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.

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43	The pay-in-full payment option was never the default payment option in Integrity Advance's consumer contracts.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	<i>See</i> Section B at p.3.
44	When Integrity Advance auto-renewed a loan it would debit only the finance charge from the consumer's account.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	<i>See</i> Section B at p.3.
45	The payment of the finance charge by an auto-renewed consumer would not reduce the principal amount owed by the consumer.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	<i>See</i> Section B at p.3.
46	When Integrity Advance auto-renewed a loan it would charge the consumer another finance charge equal to the initial finance charge.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	<i>See</i> Section B at p.3.

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47	If a consumer did not contact Integrity Advance to change the terms of her loan, Integrity Advance would automatically renew the loan four times.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
48	Each renewal would include the payment, by the consumer, of the full finance charge.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
49	Payment of each of these finance charges would not reduce the principal amount owed by the consumer.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
50	After Integrity Advance auto-renewed a loan four times, if the consumer did not contact Integrity Advance three business days prior to the next payment date to change the payment option, the company would put the consumer into auto-workout status.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
51	During auto-workout, Integrity Advance would debit the consumer an amount equal to a finance charge plus \$50.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
52	During auto-workout, Integrity Advance applied the \$50 towards the loan principal.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.

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53	During auto-workout, after each debit Integrity Advance charged the consumer a new finance charge based on the new principal amount.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
54	Unless a consumer changed the payment option, when a loan was in auto-workout, on each payment date Integrity Advance would debit the finance charge plus \$50, apply the \$50 to the loan principal, and charge a new finance charge until the loan principal was zero.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
55	For a new Integrity Advance consumer taking a \$300 loan, Integrity Advance stated in the TILA box that the finance charge would be \$90.	Respondents cannot stipulate to the proposed hypothetical situation.	
56	For a new Integrity Advance consumer taking a \$300 loan, Integrity Advance stated in the TILA box that the Total of Payments would be \$390.	Respondents cannot stipulate to the proposed hypothetical situation.	
57	In order to pay only \$390, that consumer would have to contact Integrity Advance three business days before the payment date to change the payment option to the pay-in-full option.	Respondents cannot stipulate to the proposed hypothetical situation.	

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58	If that consumer did not affirmatively contact Integrity Advance and allowed the default repayment schedule to occur, that consumer would make eleven payments totaling \$1065.	Respondents cannot stipulate to the proposed hypothetical situation.	
59	Integrity Advance consumers who had their loans renewed paid more in finance charges than the amount disclosed in the TILA box.	Respondents have inadequate knowledge or information sufficient to form a belief as to this proposed stipulation.  The proposed stipulation is not necessarily accurate.	
60	Integrity Advance consumers who had their loans renewed paid more in ‘total of payments’ than what was disclosed in the TILA box.	Respondents have inadequate knowledge or information sufficient to form a belief as to this proposed stipulation.  The proposed stipulation is not necessarily accurate.	
61	Integrity Advance did not disclose to consumers their individualized payment schedule under the auto-renewal and auto-workout process.	The proposed stipulation contains inherent characterizations that preclude factual stipulation.  The proposed stipulation is not necessarily accurate.	<i>See Section B &amp; C at p.3-4.</i>
62	Integrity Advance’s consumer contracts did not state the total amount a consumer had to pay to satisfy the loan if the consumer did not contact Integrity Advance to change the default payment option in the contract.	The proposed stipulation contains inherent characterizations that preclude factual stipulation.  Respondents cannot stipulate to a general description of the contents or operation of a document. The document speaks for itself.	<i>See Section B &amp; C at p.3-4.</i>



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63	Integrity Advance's consumer contracts did not state the total amount in finance charges a consumer would be charged if the consumer did not contact Integrity Advance to change the default payment option in the contract.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>Respondents cannot stipulate to a general description of the contents or operation of a document. The document speaks for itself.</p>	See Section B & C at p.3-4.
64	Integrity Advance's consumer contracts did not state the total amount a consumer had to pay under the default auto-renewal and auto-workout payment options.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>Respondents cannot stipulate to a general description of the contents or operation of a document. The document speaks for itself.</p>	See Section B & C at p.3-4.
65	Integrity Advance's consumer contracts did not state the total amount in finance charges that a consumer would be charged under the default auto-renewal and auto-workout payment options.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>Respondents cannot stipulate to a general description of the contents or operation of a document. The document speaks for itself.</p>	See Section B & C at p.3-4.
66	The operation of the auto-renewal provision did not vary according to which template was used to generate a consumer's contract.	The proposed stipulation is not necessarily accurate.	

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67	The operation of the auto-workout provision did not vary according to which template was used to generate a consumer's contract.	The proposed stipulation is not necessarily accurate.	
68	Approximately 85% of Integrity Advance consumers had their loan renewed by the company.	The proposed stipulation is not necessarily accurate.	
69	Carnes testified under oath that 10 to 15 percent of Integrity Advance consumers repaid their loan without a rollover.	The proposed stipulation is not an accurate recitation of admissible facts suitable for joint stipulation.	<i>See Section D at p.4.</i>
70	Some consumers did not understand how the default payment option of Integrity Advance's contract worked.	Respondents have inadequate knowledge or information sufficient to form a belief as to this proposed stipulation.	
71	Some consumers complained once Integrity Advance had debited their account for more than the total of payments reflected in the TILA disclosure.	Respondents have inadequate knowledge or information sufficient to form a belief as to this proposed stipulation.	

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72	Carnes knew that some consumers had not understood that their first four auto-renewal payments would not reduce loan principal.	The proposed stipulation is not necessarily accurate.	
73	Integrity Advance is a creditor under the Truth in Lending Act. 12 C.F.R. § 1026.2(17).	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2. 12 C.F.R. § 1026.2(a)(17) (defining the term “creditor”).
74	Integrity Advance extended closed-end credit under the Truth in Lending Act and Regulation Z. 12 C.F.R. § 1026.2(10).	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2. 12 C.F.R. § 1026.2(a)(10) (defining the term “closed-end credit”).
75	The Truth in Lending Act and Regulation Z require that creditors disclose “clearly and conspicuously” in writing “the terms of the legal obligation between the parties.” 12 C.F.R. § 1026.17(a), (c).	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  12 C.F.R. § 1026.17(a), ( c) (covering general disclosure requirements, including the form of disclosures and basis of disclosures and use of estimates).
76	The CFPA defines enumerated statuses to include the Truth in Lending Act. 12 U.S.C. § 5481(12)(O).	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  12 U.S.C. § 5481(12)(O).

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77	Under the CFPA, covered persons' and service providers' violations of an enumerated statute are considered violations of the CFPA. 12 U.S.C. § 5536(a)(1)(A).	The proposed stipulation constitutes a conclusion of law.	<p>See Section A at p.2.</p> <p>12 U.S.C. § 5536(a)(1)(A) ("It shall be unlawful for--any covered person or service provider--to offer or provide to a consumer any financial product or service not in conformity with Federal consumer financial law, or otherwise commit any act or omission in violation of a Federal consumer financial law."); <i>id.</i> § 5481(14) (defining "Federal consumer financial law").</p>
78	If Integrity Advance violated the Truth in Lending Act and Regulation Z, it also violated the CFPA.	The proposed stipulation constitutes a conclusion of law.	<p>See Section A at p.2.</p> <p>See 12 U.S.C. § 5536(a)(1)(A); <i>id.</i> § 5481(14) (defining "Federal consumer financial law").</p>

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79	The cost of an Integrity Advance loan was material to consumers.	The proposed stipulation constitutes a conclusion of law.	<p>See Section A at p.2.</p> <p>Although the “deception” prong of the Bureau’s UDAAP authority is not statutorily defined, the elements of a claim based on that authority may generally be derived from the analogous authority under the FTC Act. See <i>Illinois v. Alta Colleges</i>, No. 1:14-cv-3786, 2014 WL 4377579, at *4 (N.D. Ill. Sept. 4, 2014) (“The statute does not define a ‘deceptive’ practice, but the Bureau says the phrase has the same meaning under the CFPB as it does under the Federal Trade Commission Act . . .”). “To establish liability under section 5 of the FTCA, the FTC must establish that (1) there was a representation; (2) the representation was likely to mislead customers acting reasonably under the circumstances, and (3) the representation was material.” <i>F.T.C. v. Tashman</i>, 318 F.3d 1273, 1277 (11th Cir. 2003) (citing 15 U.S.C. § 45(a)).</p>
80	The total amount of finance charges Integrity Advance charged consumers for a given loan was material to consumers.	The proposed stipulation constitutes a conclusion of law.	<p>See Section A at p.2.</p> <p>See <i>Alta Colls.</i>, No. 1:14-cv-3786,</p>

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
			2014 WL 4377579, at *4; <i>Tashman</i> , 318 F.3d at 1277.
81	The total of payments charged by Integrity Advance for a given loan was material to consumers.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  <i>See Alta Colls.</i> , No. 1:14-cv-3786, 2014 WL 4377579, at *4; <i>Tashman</i> , 318 F.3d at 1277.
82	Integrity Advance's contract was likely to mislead reasonable consumers as to the total finance charge that Integrity Advance would charge for a given loan.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  <i>See Alta Colls.</i> , No. 1:14-cv-3786, 2014 WL 4377579, at *4; <i>Tashman</i> , 318 F.3d at 1277.
83	Integrity Advance's contract was likely to mislead reasonable consumers as to the total of payments that Integrity Advance would charge for a given loan.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  <i>See Alta Colls.</i> , No. 1:14-cv-3786, 2014 WL 4377579, at *4; <i>Tashman</i> , 318 F.3d at 1277.
84	Consumers suffered a substantial injury when Integrity Advance debited their accounts for more money than what was disclosed in their TILA disclosures.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  12 U.S.C. § 5531(c)(1) (setting out the elements limiting the Bureau's authority to declare and act or practice to be "unfair").

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
85	Because the disclosures of the finance charge and total of payments in Integrity Advance's contracts with consumers are calculated by assuming that the loan will be repaid in a single payment when the default payment option in the contracts is auto-renewal followed by auto-workout, the disclosure is likely to cause substantial injury to consumers.	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>12 U.S.C. § 5531(c)(1) (setting out the elements limiting the Bureau's authority to declare and act or practice to be "unfair").</p>
86	That injury was not reasonably avoidable by consumers.	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>12 U.S.C. § 5531(c)(1)(B) (setting out the elements limiting the Bureau's authority to declare and act or practice to be "unfair").</p>
87	Calculating the finance charge and total of payments disclosed in Integrity Advance's contracts with consumers by assuming that the loan would be repaid in a single payment when the default payment option in the contracts was auto-renewal followed by auto-workout provided no benefit to consumers.	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>12 U.S.C. § 5531(c)(1)(B) (setting out the elements limiting the Bureau's authority to declare and act or practice to be "unfair").</p>
88	Calculating the finance charge and total of payments disclosed in Integrity Advance's contracts with consumers by assuming that the loan would be repaid in a single payment when the default payment option in the contracts was auto-renewal followed	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>12 U.S.C. § 5531(c)(1)(B) (setting out the elements limiting the Bureau's authority to declare and act or practice to be "unfair").</p>

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
	by auto-workout provided no benefit to competition.		
89	The injury to consumers caused by calculating the finance charge and total of payments in Integrity Advance's contracts with consumers by assuming that the loan will be repaid in a single payment is not outweighed by any benefit to consumers or competition.	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>12 U.S.C. § 5531(c)(1)(B) (setting out the elements limiting the Bureau's authority to declare and act or practice to be "unfair").</p>
90	As a part of the online application and approval process, Integrity Advance consumers were presented with an ACH agreement that authorized electronic ACH debits.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	<p><i>See</i> Section B at p.3.</p>
91	Consumers could not receive initial approval of an online application without signing the ACH agreement.	The proposed stipulation is not necessarily accurate.	
92	Integrity Advance consumers could only receive loan proceeds by way of an electronic deposit which was authorized by the ACH authorization.	The proposed stipulation is not necessarily accurate.	



#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
93	The ACH authorization form authorized Integrity Advance to withdraw auto-renewal and auto-workout payments.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	<i>See Section B at p. 3.</i>
94	Unless consumers were seven days or less from a payday at the time of loan application, Integrity Advance's contracts required payment on the consumers' next date on which the consumers received regular wages or salary from their employers (the 'Pay Date').	The proposed stipulation is not necessarily accurate.	
95	When Integrity Advance auto-renewed a loan, the next payment date was the consumer's next Pay Date that was at least 14 days after the prior payment date.	The proposed stipulation is not necessarily accurate.	
96	When Integrity Advance debited a consumer whose loan was in auto-workout, the next payment date was the consumer's next Pay Date that was at least 14 days after the prior payment date.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	<i>See Section B at p. 3.</i>

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
97	If a consumer was paid weekly, the auto-renewal and auto-workout payment dates would be every two weeks on the consumer's Pay Date.	The proposed stipulation is not necessarily accurate.	
98	If a consumer was paid monthly, the auto-renewal and auto-workout payment dates would be every month on the consumer's Pay Date.	The proposed stipulation is not necessarily accurate.	
99	If a consumer was paid every two weeks, the auto-renewal and auto-workout payment dates would be every two weeks on the consumer's Pay Date.	The proposed stipulation is not necessarily accurate.	
100	If a consumer was paid twice a month, the auto-renewal and auto-workout payment dates would be on the consumer's Pay Date.	The proposed stipulation is not necessarily accurate.	
101	The electronic ACH withdrawals initiated by Integrity Advance during auto-renewal and auto-workout occurred at regular intervals.	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>15 U.S.C. § 1693(a)(10) (“the term “preauthorized electronic fund transfer” means an electronic fund transfer authorized in advance to recur at substantially regular intervals”).</p>
102	ACH was the primary method by which Integrity Advance consumers could pay off their loan.	The proposed stipulation is not necessarily accurate.	
103	To repay in a manner other than ACH transfer, a consumer had to prove to	The proposed stipulation is not necessarily accurate.	

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
	Integrity Advance that he or she could pay by another means.		
104	Integrity Advance's loan documents do not contain any indication that consumers could receive a loan from the company without signing the ACH authorization form.	Respondents cannot stipulate to a general description of the contents or operation of a document. The document speaks for itself.	<i>See</i> Section C at p.4.
105	The ACH authorization contains the language stating that it "remain[s] in full force and effect" until a consumer's indebtedness to Integrity Advance is repaid.	The proposed stipulation is not necessarily accurate.	
106	When consumers signed the ACH authorization, they authorized Integrity Advance to debit any payments pursuant to the auto-renewal provisions in the contracts.	The proposed stipulation is not necessarily accurate.	
107	When consumers signed the ACH authorization, they authorized Integrity Advance to debit any payments pursuant to the auto-workout provisions in the contracts.	The proposed stipulation is not necessarily accurate.	
108	The electronic fund transfers authorized by the ACH authorization were preauthorized under Regulation E. 12 C.F.R. § 205.2(k).	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  15 U.S.C. § 1693k(1) ("No person may--condition the extension of credit to a consumer on such consumer's repayment by means of preauthorized electronic fund transfers"); 12 C.F.R. § 1005.2(k)

#	Bureau’s Proposed Stipulations	Respondents’ Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
			(defining the term “preauthorized electronic fund transfer”).
109	The CFPB defines enumerated statutes to include the Electronic Fund Transfer Act. 12 U.S.C. § 5481(12)(C).	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2. 12 U.S.C. § 5481(12) (defining “enumerated consumer laws”).
110	Under the CFPB, covered persons’ and service providers’ violations of an enumerated statute violate the CFPB. 12 U.S.C. § 1036(a)(1)(A).	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2. 12 U.S.C. § 5536(a)(1)(A).
111	If Integrity Advance violated the Electronic Fund Transfer Act and Regulation E, it also violated the CFPB.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2. 12 U.S.C. § 1036(a)(1)(A).
112	Integrity Advance’s ACH agreement contained a provision that allowed the company to execute demand drafts on consumers’ accounts.	The proposed stipulation is not necessarily accurate.	
113	The demand draft provision stated “[i]f you revoke your authorization you agree to provide us with another form of payment acceptable to us and you authorize us to prepare and submit one or more checks drawn on Your Bank Account so long as amounts are owed to us under the Loan Agreement. “	The proposed stipulation contains inherent characterizations that preclude factual stipulation.”	<i>See</i> Section B at p.3.

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
114	Integrity Advance did not require consumers to sign or initial the demand draft provision separately.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
115	The demand draft provision does not state that the checks to be drawn on a consumer's bank account do not have to be signed by the consumer.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
116	The demand draft provision does not state that the checks to be drawn on a consumer's bank account can be submitted without prior warning to the consumer.	<p>The proposed stipulation contains inherent characterizations that preclude factual stipulation.</p> <p>The proposed stipulation is not necessarily accurate.</p>	See Section B at p.3.
117	Some Integrity Advance consumers withdrew the company's authorization to initiate ACH debits on their bank accounts.	The proposed stipulation is not necessarily accurate.	

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
118	Some of the Integrity Advance consumers withdrew the company's authorization to initiate ACH debits on their bank accounts because the company had withdrawn more than consumers believed they owed.	Respondents have inadequate knowledge or information sufficient to form a belief as to this proposed stipulation.	
119	Integrity Advance used the demand draft provision to withdraw money from the accounts of some of the consumers who had withdrawn ACH authorization.	The proposed stipulation contains inherent characterizations that preclude factual stipulation.	<i>See</i> Section B at p.3.
120	Consumers who withdrew Integrity Advance's ACH authorization suffered substantial injury when Integrity Advance debited money from their accounts using demand drafts.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  12 U.S.C. § 5531(c)(1) (setting out the elements limiting the Bureau's authority to declare and act or practice to be "unfair").
121	That injury was not reasonably avoidable by consumers.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  12 U.S.C. § 5531(c)(1) (setting out the elements limiting the Bureau's authority to declare and act or practice to be "unfair").
122	Using demand drafts to debit consumers accounts when they have rescinded ACH authorization provides no benefit to consumers.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  12 U.S.C. § 5531(c)(1)(B) (setting out the elements limiting the

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
			Bureau's authority to declare and act or practice to be "unfair").
123	Using demand drafts to debit consumers accounts when they have rescinded ACH authorization provides no benefit to competition.	The proposed stipulation constitutes a conclusion of law.	See Section A at p.2.  12 U.S.C. § 5531(c)(1)(B) (setting out the elements limiting the Bureau's authority to declare and act or practice to be "unfair").
124	The injury to consumers caused by using demand drafts when they have rescinded ACH authorization is not outweighed by any benefit to consumers or competition.	The proposed stipulation constitutes a conclusion of law.	See Section A at p.2.  12 U.S.C. § 5531(c)(1)(B) (setting out the elements limiting the Bureau's authority to declare and act or practice to be "unfair").
125	Integrity Advance's net income from January 2010 – September 2010 was \$13,874,072.	The proposed stipulation is not necessarily accurate.	
126	Integrity Advance's net income from January – October 2011 was \$12,109,552.	The proposed stipulation is not necessarily accurate.	
127	Integrity Advance's net income from January –October 2012, was \$12,078,239.	The proposed stipulation is not necessarily accurate.	
128	In 2011, Integrity Advance originated 65,036 loans with a total principal of \$29,328,900. See Ex. C.	The proposed stipulation is not necessarily accurate.	

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
129	In 2012, Integrity Advance made originated 56,161 loans with a total principal of \$25,963,800. <i>See Ex. C.</i>	The proposed stipulation is not necessarily accurate.	
130	In Ex. C, the numbers in the "No. of Loans" column reflect new loans originated in a given "Origin Month," excluding auto-renewals and auto-workouts.	The proposed stipulation is not necessarily accurate.	
131	Carnes was a 100% owner of an entity called Willowbrook Marketing LLC.	The proposed stipulation is not necessarily accurate.	
132	In 2011, Willowbrook Marketing received a \$4,208,821 distribution from Hayfield.	The proposed stipulation is not necessarily accurate.	
133	In 2012, Willowbrook Marketing received a \$2,229,498 distribution from Hayfield.	The proposed stipulation is not necessarily accurate.	
134	In November 2012, Hayfield entered into an asset purchase agreement with EZ Corp. Inc.	Respondents cannot stipulate to the proposed general description of the provisions of a legal agreement.	<i>See Section C at p.4.</i>
135	Under the terms of the asset purchase agreement, EZ Corp. purchased, among other things, the intellectual property and consumer lists owned by Integrity Advance.	Respondents cannot stipulate to the proposed general description of the provisions of a legal agreement.	<i>See Section C at p.4.</i>
136	The asset purchase agreement calls for at least \$50,775,906 to be paid by EZ Corp. in exchange for certain Hayfield assets.	Respondents cannot stipulate to the proposed general description of the provisions of a legal agreement.	<i>See Section C at p.4.</i>
137	After the asset purchase agreement was signed, Willowbrook Marketing received 300,000 shares of EZ Corp. stock.	Respondents cannot stipulate to the proposed general description of the provisions of a legal agreement.	<i>See Section C at p.4.</i>



#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
138	After the asset purchase agreement was signed, Willowbrook Marketing received between \$5 million and \$10 million in cash.	Respondents cannot stipulate to the proposed general description of the provisions of a legal agreement.	<i>See</i> Section C at p.4.
139	In November 2013, Willowbrook Marketing received approximately \$5 million as part of a supplemental payment under the asset purchase agreement.	Respondents cannot stipulate to the proposed general description of the provisions of a legal agreement.	<i>See</i> Section C at p.4.
140	In November 2014, Willowbrook Marketing received approximately \$2.5 million as part of a supplemental payment under the asset purchase agreement.	Respondents cannot stipulate to the proposed general description of the provisions of a legal agreement.	<i>See</i> Section C at p.4.
141	In November 2015, Willowbrook Marketing received approximately \$2.5 million as part of a supplemental payment under the asset purchase agreement.	Respondents cannot stipulate to the proposed general description of the provisions of a legal agreement.	<i>See</i> Section C at p.4.
142	As of July 16, 2013, the Bureau had authority to exercise new powers to regulate nonbanks, including the authority to pursue enforcement actions against nonbanks.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.
143	On November 18, 2015 the Bureau had authority to initiate enforcement proceedings against nonbanks.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.
144	The Notice of Charges alleges that Integrity Advance and Carnes violated the CFPA's prohibition on unfair, deceptive, and abusive acts and practices; the Truth in Lending Act; and the Electronic Fund Transfer Act.	Respondents cannot stipulate to a general summary and/or description of the Bureau's Notice of Charges.	<i>See</i> Section C at p.4.

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
145	The provisions of the CFPA prohibiting unfair, deceptive, and abusive acts and practices are found in subtitle C of Title X.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2. 12 U.S.C. § 5531
146	Subtitle C to Title X took effect "on the designated transfer date." 12 U.S.C. § 5531 note.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2. 12 U.S.C. § 5531 note.
147	The designated transfer date was July 21, 2011. 75 Fed. Reg. 57252 (September 20, 2010).	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2. 75 Fed. Reg. 57252 (September 20, 2010).
148	Therefore, the CFPA's prohibition on unfair, deceptive, and abusive acts and practices took effect on July 21, 2011.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.
149	The Bureau has charged Respondents with violations of the CFPA's prohibition on unfair, deceptive, and abusive acts and practices that occurred on or after July 21, 2011.	Respondents cannot stipulate to a general summary and/or description of the Bureau's Notice of Charges.	<i>See</i> Section C at p.4.

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
150	The CFPA's prohibition on unfair, deceptive, and abusive acts and practices was in effect at all times during which Integrity Advance engaged in the challenged conduct.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.
151	The Truth in Lending Act ('TILA') took effect in 1969. Pub. L. No. 90-321 § 504(b) (1968).	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2. Pub. L. No. 90-321 § 504(b) (1968) (Truth in Lending Act
152	The Bureau has charged Integrity Advance with violations of TILA that occurred after 1969.	Respondents cannot stipulate to a general summary and/or description of the Bureau's Notice of Charges.	<i>See</i> Section C at p.4.

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
153	The provisions of TILA and its implementing regulation that the Bureau has charged Integrity Advance with violating were in effect at all times during which Integrity Advance engaged in the challenged conduct.	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>Pub. L. No. 90-321 § 504(b) (1968) (Truth in Lending Act)</p> <p>52 Fed. Reg. 48665-01 (Dec. 24, 1987) (Final Rule of the Board of Governors of the Federal Reserve System promulgating what is now 12 C.F.R. § 1026.17)</p> <p>46 Fed. Reg. 20848-01 (Apr. 7, 1981) (Final Rule of the Board of Governors of the Federal Reserve System promulgating what is now 12 C.F.R. § 1026.18)</p>
154	The Electronic Fund Transfer Act took effect in 1979. Pub. L. No. 95-630 § 2101 (1978).	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>Pub. L. No. 95-630 § 2101 (1978) (Electronic Funds Transfer Act).</p>
155	The Bureau has charged Respondents with violations of EFTA that occurred after 1979.	Respondents cannot stipulate to a general summary and/or description of the Bureau's Notice of Charges.	<p><i>See</i> Section C at p.4.</p>

#	Bureau’s Proposed Stipulations	Respondents’ Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
156	The provisions of EFTA and its implementing regulation that the Bureau has charged Integrity Advance with violating were in effect at all times during which Integrity Advance engaged in the challenged conduct.	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>Pub. L. No. 95-630 § 2101 (1978) (Electronic Funds Transfer Act).</p> <p>44 Fed. Reg. 59464 (Oct. 15, 1979) (promulgating what is now 12 C.F.R. § 1005.10 (preauthorized transfers)).</p>
157	The CFPA’s prohibition on unfair, deceptive, and abusive acts and practices applies to “covered persons,” among others. 12 U.S.C. §§ 5531(a), 5536(a)(1).	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p><i>See generally</i> 12 U.S.C. §§ 5531(a), 5536(a)(1).</p>
158	The statute defines “covered person” to include “any person that engages in offering or providing a consumer financial product or service,” such as “extending credit” that is “offered or provided for use by consumers primarily for personal, family, or household purposes.” 12 U.S.C. § 5481(5), (6), (15).	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>12 U.S.C. § 5481(5), (6), (15).</p>
159	At the time Integrity Advance engaged in the allegedly unlawful conduct in this case, it offered loans to consumers primarily for personal, family, or household purposes.	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p><i>See</i> 12 U.S.C. § 5481(5), (6), (15).</p>
160	At the time that Integrity Advance engaged in the allegedly unlawful conduct in this case, it was a “covered person.”	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p>

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
161	The statute provides that a "related person" "shall be deemed to mean a covered person." 12 U.S.C. § 5481(25).	The proposed stipulation constitutes a conclusion of law.	See Section A at p.2. 12 U.S.C. § 5481(25)(C)(i) (defining "related person").
162	The statute defines "related person" to include "any director, officer, or employee charged with managerial responsibility for ... [a] covered person." 12 U.S.C. § 5481(25)(C)(i).	The proposed stipulation constitutes a conclusion of law.	See Section A at p.2. 12 U.S.C. § 5481(25)(C)(i) (defining "related person").
163	Carnes was a director and officer of Integrity Advance charged with managerial responsibility for Integrity Advance.	The proposed stipulation constitutes a conclusion of law.	See Section A at p.2. 12 U.S.C. § 5481(25)(C)(i) (defining "related person").
164	Carnes is a "related person" and thus a "covered person."	The proposed stipulation constitutes a conclusion of law.	See Section A at p.2. 12 U.S.C. § 5481(25)(C)(i) (defining "related person").
165	The definitions of "covered person" and "related person" took effect on July 22, 2010. 12 U.S.C. § 5301 note.	The proposed stipulation constitutes a conclusion of law.	See Section A at p.2. <i>Compare</i> 12 U.S.C. § 5301 note, <i>with</i> 12 U.S.C. § 5586.
166	The Bureau has authority to enforce the law regardless of whether, at the time the Bureau brings the enforcement proceeding, the respondent is still engaging in conduct that qualifies it as a "covered person." See 12 U.S.C. § 5563.	The proposed stipulation constitutes a conclusion of law.	See Section A at p.2. <i>See generally</i> 12 U.S.C. § 5563.

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
167	The Bureau can bring an enforcement proceeding against a company that offered a consumer financial product or service, even if the company stopped engaging in that conduct before the CFPB filed an enforcement action.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.
168	Nothing in the CFPA (or any other law) provides that the Bureau must have been able to bring an enforcement proceeding at a time when the violation was ongoing in order ever to be able to bring an enforcement proceeding to address that violation.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.
169	The Bureau initiated this administrative proceeding pursuant to 12 U.S.C. § 5563.	The proposed stipulation constitutes a conclusion of law.  Respondents cannot stipulate to a general summary and/or description of the Bureau's Notice of Charges.	Supra Parts A and C.  <i>See generally</i> 12 U.S.C. § 5563.
170	12 U.S.C. § 5563 does not contain a statute of limitations provision.	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  <i>See generally</i> 12 U.S.C. § 5563.
171	15 U.S.C. § 1607, a section of the Truth in Lending Act, is entitled "Administrative Enforcement."	The proposed stipulation constitutes a conclusion of law.	<i>See</i> Section A at p.2.  <i>See generally</i> 15 U.S.C. § 1607.

#	Bureau’s Proposed Stipulations	Respondents’ Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
172	The Bureau is listed in 15 U.S.C. § 1607(a)(6) as an entity with the power to administratively enforce the Truth in Lending Act.	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>15 U.S.C. § 1607(a)(6) (“Subject to subtitle B of the Consumer Financial Protection Act of 2010, compliance with the requirements imposed under this subchapter shall be enforced under-- . . . subtitle E of the Consumer Financial Protection Act of 2010, by the Bureau, with respect to any person subject to this subchapter.”).</p>
173	15 U.S.C. § 1607 does not contain a statute of limitations provision.	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p><i>See generally</i> 15 U.S.C. § 1607.</p>
174	15 U.S.C. § 1693o, a section of the Electronic Fund Transfer Act, is entitled “Administrative Enforcement.”	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p><i>See generally</i> 15 U.S.C. § 1693o.</p>
175	The Bureau is listed in 15 U.S.C. § 1693o(5) as an entity with the power to administratively enforce the Electronic Fund Transfer Act.	The proposed stipulation constitutes a conclusion of law.	<p><i>See</i> Section A at p.2.</p> <p>15 U.S.C. § 1693o(5) (“Subject to subtitle B of the Consumer Financial Protection Act of 2010, compliance with the requirements imposed under this subchapter shall be enforced under-- . . . subtitle E of the Consumer Financial Protection Act of 2010, by the Bureau, with respect to any person subject to this subchapter . . .”).</p>



#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
176	15 U.S.C. § 1693o does not contain a statute of limitations provision.	The proposed stipulation constitutes a conclusion of law.	See Section A at p.2.  See generally 15 U.S.C. § 1693o.
177	When Integrity Advance auto-renewed a loan, the terms of the loan did not change.	The proposed stipulation is not necessarily accurate.	
178	When Integrity Advance auto-renewed a loan, Integrity Advance did not send the consumer another agreement listing the new payment date.	The proposed stipulation is not necessarily accurate.	
179	When Integrity Advance auto-renewed a consumer's loan, Integrity Advance did not require the consumer to sign any new loan documents.	The proposed stipulation is not necessarily accurate.	
180	When Integrity Advance acted under the auto-workout provision of the contract, the terms of the loan did not change.	The proposed stipulation is not necessarily accurate.	
181	When Integrity Advance charged consumers under the auto-workout provisions of the contract, Integrity Advance did not send the consumer another agreement listing the new payment date or the new finance charge.	The proposed stipulation is not necessarily accurate.	
182	When Integrity Advance charged consumers under the auto-workout provisions of the contract, Integrity Advance did not require the consumer to sign any additional loan documents.	The proposed stipulation is not necessarily accurate.	

#	Bureau's Proposed Stipulations	Respondents' Objections to Proposed Stipulation of Fact and Related Factual Basis of Objections	Supporting Legal Authority
183	An Integrity Advance consumer did not have to sign any additional loan documents beyond the initial agreement for the loan to auto-renew.	The proposed stipulation is not necessarily accurate.	
184	An Integrity Advance consumer did not have to sign any additional loan documents beyond the initial agreement for the loan to enter auto-workout.	The proposed stipulation is not necessarily accurate.	

Respectfully submitted,

Dated: March 23, 2016

By: Allyson B. Baker

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**CERTIFICATION OF SERVICE**

I hereby certify that on the 23rd day of March 2016, I caused a copy of the foregoing Answer to be filed by electronic transmission (e-mail) with the U.S. Coast Guard Hearing Docket Clerk (aljdocketcenter@uscg.mil), Heather L. MacClintock ([Heather.L.MacClintock@uscg.mil](mailto:Heather.L.MacClintock@uscg.mil)) and Administrative Law Judge Parlen L. McKenna (cindy.j.melendres@uscg.mil), and served by electronic mail on the following parties who have consented to electronic service:

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