

**UNITED STATES OF AMERICA
Before the
CONSUMER FINANCIAL PROTECTION BUREAU**

**ADMINISTRATIVE PROCEEDING
File No. 2015-CFPB-0029**

In the Matter of:

**INTEGRITY ADVANCE, LLC and
JAMES R. CARNES,**

Respondents.

**ENFORCEMENT
COUNSEL'S MOTION FOR
SUMMARY DISPOSITION
AS TO LIABILITY**

**ENFORCEMENT COUNSEL'S MOTION FOR SUMMARY
DISPOSITION AS TO LIABILITY**

Pursuant to 12 C.F.R. § 1081.212(c), Enforcement Counsel hereby moves for summary disposition as to liability for all claims asserted in the Notice of Charges in the above-captioned matter. There is no genuine issue as to any material fact and Enforcement Counsel is entitled to a decision in our favor as a matter of law.

The undisputed facts show that Respondents' loan agreements violated the Truth in Lending Act by providing a single payment disclosure that failed to accurately disclose the costs of their loans. At loan signing, consumers were legally obligated to make a series of regular payments unless they called Integrity Advance to change the terms of their loans. Respondents' loan agreements similarly were deceptive and unfair because they disclosed the cost of a loan that renewed automatically multiple times as if it were a single payment loan that cost far less. In addition, Respondents' practice of

using remotely created checks to debit consumer accounts after those consumers withdrew their consent for electronic payments was unfair. Consumers could not reasonably avoid these checks because the contractual provision authorizing them was hidden, opaque, and failed to communicate how remotely created checks work. Integrity Advance also violated the Electronic Fund Transfer Act by requiring consumers to sign an agreement that authorized recurring electronic transfers to repay their loans. Finally, Integrity Advance's violations of the Truth in Lending Act and the Electronic Fund Transfer Act also violated the Consumer Financial Protection Act of 2010.

In support of this Motion, Enforcement Counsel submits the accompanying Memorandum of Points and Authorities, and Statement of Material Facts.

Respectfully submitted,

Attorneys for Plaintiff
Consumer Financial Protection Bureau

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/s/ Alusheyi J. Wheeler

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CERTIFICATE OF SERVICE

I hereby certify that on the 10th day of May 2016, I caused a copy of the foregoing Enforcement Counsel's Motion for Summary Disposition as to Liability, along with the supporting Memorandum of Points and Authorities, Statement of Material Facts, exhibits, and supporting declarations, to be filed by electronic transmission (e-mail) with the Office of Administrative Adjudication (CFPB_electronic_filings@cfpb.gov), the U.S. Coast Guard Hearing Docket Clerk (aljdocketcenter@uscg.mil), Administrative Law Judge Parlen L. McKenna (cindy.j.melendres@uscg.mil), Heather L. MacClintock (Heather.L. MacClintock@uscg.mil), and served by email on the Respondents' counsel at the following addresses:

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/s/ Alusheyi J. Wheeler
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