UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU

IN THE MATTER OF	)
CHECKSMART FINANCIAL COMPANY	)
	)

CHECKSMART FINANCIAL COMPANY'S
PETITION TO MODIFY OR SET ASIDE CIVIL INVESTIGATIVE DEMAND

The Consumer Financial Protection Bureau (the "CFPB" or the "Bureau") has commenced a nonpublic investigation "to determine whether payday lenders, check cashers, their affiliates, or other unnamed persons have been or are engaging in unlawful acts or practices in connection with the origination of payday loans and the cashing of payday loan proceed checks in violation of Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536, or any other Federal consumer financial law[,]" and whether Bureau action is warranted (hereinafter, the "Investigation").

On August 27, 2013, the Bureau issued a Civil Investigative Demand ("CID") to Checksmart Financial Company ("Checksmart" or the "Company"), in connection with the Investigation, a copy of which was sent via certified mail on that date. Contrary to the requirement set forth in Section 1052(c)(2) of the Dodd-Frank Act, the CID fails to identify "the nature of conduct constituting the alleged violation that is under investigation." 12 U.S.C. § 5562(c)(2). *See also* 12 C.F.R. § 1080.5. Further, the CID is overly broad in its temporal scope, going back in time to a point before the statutory authorities relied upon were even in existence. In addition, it is overly broad in its definitional scope, seeking information regarding a broad number of products offered pursuant to the legal framework of fourteen different states.

As explained more fully herein, while purporting to seek information related to "the origination of payday loans ***and*** the cashing of payday loan proceed checks," (emphasis added), the CID ignores this more limited purpose by seeking information relating to all aspects of Checksmart's business, specifically, those wholly unrelated to originating payday loans ***and*** the cashing of payday loan proceed checks. Although Checksmart makes small dollar, short term loans in a number of states, it does so in conformity with the requirements and prohibitions of those states. A number of those states statutorily prohibit distribution of loan proceeds in any form other than cash. Of the fourteen states where Checksmart subsidiaries offer small dollar, short term loans, Ohio is the only state where Checksmart provides loan proceeds in the form of a money order; accordingly, it is the only state where the cashing of such a money order can be an issue. While in other states a customer may request his or her loan proceeds in the form of a money order – and Checksmart will seek to accommodate the borrower's specific request[1] – there would be no purpose in a customer, who received their loan proceeds in cash, purchasing a money order and then immediately cashing the money order because the borrower already received the proceeds in cash in the first place. At bottom, if the CFPB is investigating the process by which Checksmart originates small dollar, short term loans in the form of a payment instrument such as a money order and the subsequent act of cashing that money order, then the CID must be limited to the State of Ohio and the Checksmart entities that operate in that jurisdiction.

Before filing this Petition, Checksmart met and conferred with the CFPB to discuss the scope and content of the CID. During that session, and through subsequent correspondence, Checksmart voiced its concerns regarding the content and breadth of the CID, and Checksmart

[1] As described in the Declaration of Kyle F. Hanson, customers might request money orders to pay bills or obligations to third parties.

offered reasonable solutions to modify its scope. In response, the CFPB granted Checksmart four additional days within which to file this Petition (*i.e.*, until September 20, 2013), and the CFPB agreed to hold off on requiring Checksmart to restore its ESI backup tapes. *See* Letter from CFPB to B. Roman (Sept. 13, 2013). The Bureau also agreed to modify certain Requests. However, such changes were inconsequential and did not substantively change the initial request. Instead, the content added was already part of each Request, so the modifications did not reduce any of the burden on Checksmart. With regard to the rest of Checksmart's modification requests, the CFPB refused to adopt them. For example, the overall temporal scope of the CID was not limited; overly broad definitions were not changed; and the unreasonable production deadline is still in place. Because the parties were not able to resolve all of the expressed issues, Checksmart respectfully submits this Petition for an order modifying or setting aside the CID pursuant to 12 U.S.C. § 5562(f) and 12 C.F.R. § 1080.6(e).

I. LEGAL OBJECTIONS

A. The Applicable Relevance Standard

The recognized standard in determining whether a CID should be quashed or limited in scope or breadth was adopted by the Supreme Court in *U.S. v. Morton Salt Co.,* 338 U.S. 632 (1950). Although the Court enforced the decree in *Morton Salt Co.,* it recognized that "a governmental investigation into corporate matters may be of such a sweeping nature and so unrelated to the matter properly under inquiry as to exceed the investigatory power." *Id.* at 652. Accordingly, the Court instructed that agency subpoenas or CIDs should not be enforced if it is determined that they demand information that is: (a) not "within the authority of the agency;" (b) "too indefinite;" or (c) not "reasonably relevant to the inquiry." *Id.*

The agency subpoena enforcement standard articulated in *Morton Salt Co.* has been consistently applied by courts. As the U.S. Court of Appeals for the D.C. Circuit recognized in

SEC v. Arthur Young & Co., "[t]he gist of the protection is in the requirement . . . that the disclosure sought shall not be unreasonable. Correspondingly, the need for moderation in the subpoena's call is a matter of reasonableness." 584 F.2d 1018, 1030 (D.C. Cir. 1978). The court explained further that "'the requirement of reasonableness . . . comes down to [whether the] specification of the documents to be produced [is] adequate, but not excessive, for the purposes of the relevant inquiry.'" 584 F.2d at 1030 (quoting *Ok. Press Publ'g Co. v. Walling,* 327 U.S. 186, 209 (1946)). The subpoena request must "not [be] so overbroad as to reach into areas that are irrelevant or immaterial." *Id.* at 1028. The court added: "the test is relevance to the specific purpose." *Id.* at 1031. *See also EEOC v. Konica Minolta Bus. Solutions U.S.A., Inc.*, 639 F.3d 366, 369 (7th Cir. 2011) (relevance standard for administrative subpoenas is analogous to the standard in civil discovery, and thus must "appear[] reasonably calculated to lead to the discovery of admissible evidence" for the particular matter under investigation).

Following *Morton Salt Co.,* the court in *SEC v. Blackfoot Bituminous, Inc.*, confirmed that "[t]o obtain judicial enforcement of an administrative subpoena, an agency must show that the inquiry is not too indefinite, is reasonably relevant to an investigation which the agency has authority to conduct, and all administrative prerequisites have been met." 622 F.2d 512, 514 (10th Cir. 1980). Other courts following the *Morton Salt Co.* standard have recognized that the disclosure sought by an agency through compulsory process must be both relevant to the inquiry and reasonable. *See FTC v. Invention Submission Corp.,* 965 F.2d 1086, 1089 (D.C. Cir. 1992) (CID enforced only "if the information sought is reasonably relevant"); *FTC v. Texaco, Inc.,* 555 F.2d 862, 881 (D.C. Cir. 1977) ("the disclosure sought shall not be unreasonable").

B. The CID Fails to Identify the Nature of the Conduct Under Investigation

Section 1052(c)(2) of the Dodd-Frank Act requires a CID to "state the nature of the conduct constituting the violation which is under investigation," as well as citing the applicable provision of law. 12 U.S.C. § 5562(c)(2). *See also* 12 C.F.R. § 1080.5. This explicit statutory requirement is crucial to the recipient's ability to understand and respond to the CID, as well as to formulate appropriate objections and to challenge the overbroad aspects of the CID.

Despite this clear statutory directive, the CID fails to "state the nature of the conduct" at issue. Instead, the CID merely states that the purpose is "to determine whether payday lenders, check cashers, their affiliates, or other unnamed persons have been or are engaging in unlawful acts or practices in connection with the origination of payday loans and the cashing of payday loan proceed checks in violation of Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536, or any other Federal consumer financial law." This statement fails to satisfy the statutory requirement. It merely identifies two general categories of business and covers the vast operations of originating short term, small dollar amount loans and the cashing of the loan proceed checks. Such a broad description cannot possibly fulfill the statutory requirement of identifying for the recipient the nature of the investigation as it pertains to ***all*** facets of Checksmart's business—as well as all of its "affiliates and other *unnamed* persons." (emphasis added). Indeed, this lack of detail, accompanied by the overly burdensome Requests and overly broad temporal scope, will unjustly hinder Checksmart's ability to properly respond and defend itself in connection with the CID.

The CFPB's authority to issue CIDs is conditioned on "the administrative steps required by the [statute] hav[ing] been followed." *See Powell*, 379 U.S. at 58. Since the CID fails to comply with the Dodd-Frank Act's requirement to "state the nature of the conduct constituting

the violation which is under investigation," and the CFPB has refused to amend the CID to comply with the statute, the CID is void and must be withdrawn.

Accordingly, the CFPB should modify the CID to clearly "state the nature of the conduct constituting the violation which is under investigation." 12 U.S.C. § 5562(c)(2). Absent such modification, the CID is void and must be set aside. *See* 12 U.S.C. § 5562(f)(3) (petition for order modifying or setting aside CID "may be based upon any failure of the demand to comply with the provisions of this section").

C. The CFPB Is Not Entitled to Demand Materials Pre-Dating the Existence of the Dodd-Frank Act

The CFPB is authorized to enforce a violation of a consumer financial law or regulation as a violation of Title X of the Dodd-Frank Act. The statute of limitations for such actions is three years. 12 U.S.C. § 5564(g)(1). However, Congress did not intend Sections 1031 or 1036 to have retroactive effect. Thus, any enforcement action under Sections 1031 or 1036 cannot be predicated on acts occurring before July 21, 2011, the effective date of Sections 1031 and 1036. *See* 12 U.S.C. § 5582.[2]

The CFPB's power to issue a CID is an enforcement power (not a supervisory power) contained in Title X, Subtitle E (Enforcement Powers), and is limited to "documentary material or . . . information[] *relevant to a violation.*" 12 U.S.C. § 5562(c)(1) (emphasis added).

---

[2] Although this would be the absolute earliest possible date that the CFPB could use, it is legally questionable whether the CFPB can request any information or documentation from a non-depository institution such as Checksmart before Director Cordray was properly confirmed, on July 16, 2013. Even though Director Cordray was initially appointed during a congressional recess, on January 4, 2012, the validity of such an appointment is disputed. *See Noel Canning v. Nat'l Labor Rel. Bd.*, 705 F.3d 490 (D.C. Cir. 2013), *cert. granted* 81 U.S.L.W. 3702 (U.S. June 24, 2013) (No. 12-1281); *Nat'l Labor Rel. Bd. v. New Vista Nursing & Rehab.*, 719 F.3d 203 (3d Cir. 2013)). Despite this, Checksmart has offered to use January 4, 2012, as the date from which it will provide information. Checksmart believes this is a fair compromise, and one that shows a good faith effort to cooperate in the CFPB's investigation.

Documents pre-dating the existence and effective dates of Sections 1031 and 1036 of the Dodd-Frank Act are *ipso facto* not "relevant to a violation."

The issue of undue burden is assessed both with respect to the burden on the day-to-day business operations of the recipient, which in this case would be substantial, and also with respect to the agency's legitimate interest in the documents. Where the issuing agency has no possible legitimate interest in the documents requested—such as for documents whose age pre-dates the existence and effective date of the statutory authority relied upon to issue the CID—imposing any substantial burden on the recipient would be excessive. *See U.S. Commodity Futures Trading Comm'n v. The McGraw-Hill Companies, Inc.*, 390 F. Supp. 2d 27, 35-36 (D.D.C. 2005) (citing *FTC v. Texaco, Inc.*, 555 F.2d 862, 882 (D.C. Cir. 1977)) (corporation responding to an agency subpoena should not have "to cull its files for data" that would "impose an undue burden" and finding subpoena requiring production of "all documents that in any way reference" the issue in question "would be unduly burdensome"). Accordingly, since documents from before January 4, 2012, cannot possibly be "relevant to a violation" within the CFPB's jurisdiction, especially one falling under the CPFB's UDAAP authority, the CID should be modified to reflect the reasonable compromise Checksmart requests.[3]

D. Certain Definitions and Instructions in the CID Are Objectionable and Should Be Modified or Set Aside

Even under the statutorily defective statement of the investigation's purpose, it is clear

[3] The UDAAP provisions of the Dodd-Frank Act essentially comprise a new statute that is more comprehensive than prior statutes drafted to target similar conduct. The definitions in the statute, although seemingly more broad in scope, lack any clear direction as to what constitutes either an unfair or abusive action, and to date, there have been no rules promulgated on this point. As such, it seems increasingly unjust, not to mention constitutionally problematic from a vagueness standpoint, to launch an investigation under this statute, especially when the stated purpose of the investigation is so ambiguous.

that some of the definitions and instructions contained in the CID are overly broad, and therefore, should be modified. This is underscored by a review of the CID's stated purpose, which provides, in relevant part, "cashing of payday loan proceed ***checks***." (emphasis added). Of Checksmart's subsidiaries, only its Ohio-based lending subsidiary issues loan proceeds in the form of a money order and only its Ohio-based check cashing subsidiary cashes any such money order in the normal course of its day-to-day operations. *See* Declaration of Kyle F. Hanson, attached hereto as Exhibit A. Consequently, the CID, by its own stated objective, applies only to Checksmart's subsidiaries in the State of Ohio. Certain Requests in the CID also make this conclusion apparent. Therefore, as explained more fully below, Checksmart requests that the CFPB modify the CID's definitions for "Checksmart" and "Consumer Loan." In their current state, they are impermissibly expansive in scope, not only because of the CID's stated purpose, but also in light of specific language used in certain Requests.

"Checksmart" is defined to include "its parent companies, wholly or partially owned subsidiaries, unincorporated divisions, joint ventures, operations under assumed names, and affiliates, and all principals, directors, officers, owners, employees, agents, representatives, and other persons working for or on behalf of the foregoing." This definition attempts to reach any person or entity even remotely connected with Checksmart even if such a relationship falls outside of the vaguely stated reason for issuing the CID, *i.e.*, to allegedly examine "the origination of payday loans and the cashing of payday loan proceed checks[.]" This attempt to reach other entities and persons, merely based on their association with Checksmart, is unreasonable. *See Morton Salt*, 338 U.S. at 652-53 (noting that an administrative demand pursuant to compulsory powers must not be "too indefinite" and the information sought "shall not be unreasonable"). *See also Trs. of Dartmouth Coll. v. Woodward*, 17 U.S. 518, 667 (1819)

(providing that a corporation "is, in short, an artificial person, existing in contemplation of law, and endowed with certain powers and franchises which, though they must be exercised through the medium of its natural members, are yet considered as subsisting in the corporation itself, as distinctly as if it were a real personage"). Therefore, Checksmart requests that it be modified to state the following: "'Checksmart'" means those subsidiaries of Checksmart Financial Company that offer loans pursuant to the Ohio Mortgage Loan Act and/or check cashing services licensed by the Ohio Department of Financial Institutions." This request is reasonable where, as here, the stated purpose applies to Checksmart's Ohio subsidiaries, and the only somewhat specific Requests focus solely on Checksmart's business in that state, and indeed, one Ohio loan product in particular. *See, e.g.*, (interrogatories ten and eleven and document requests three and four, quoting statements from a document that relates exclusively to the Ohio Mortgage Loan Act loan product that Checksmart offers solely in the State of Ohio).[4]

---

[4] While Checksmart believes its request to modify this definition is reasonable based on the only non-generic Requests, the fact that the Bureau is seeking the information and documentation described in those interrogatories and document requests is disconcerting. [redacted] Thus, reasonably viewing the specific interrogatories and document requests through the lens of this experience, it is evident that the definitions of "Consumer Loan" and "Checksmart," which grossly broaden the scope of inquiry, are disconnected from the Requests. Furthermore, under the definitions provided in the UDAAP statute, Checksmart also does not understand how its operations could cause substantial injury to a consumer, materially interfere with or take advantage of a consumer's ability to understand the services or loan products offered, cause injury that is not reasonably avoidable or materially

For similar reasons, Checksmart objects to the definition of "Consumer Loan." "Consumer Loan" is defined as "any loan that your company offers that is secured by a consumer's postdated check or checks." This definition potentially covers almost all loan transactions for every one of Checksmart's subsidiaries, which are not properly the subject of the CID. *See, e.g.*, (document request 5, seeking "[e]xemplars of all materials that Checksmart [and by definition any individual or company associated with Checksmart] displays, displayed, provides, or provided to customers with regard to ***consumer loans***[.]" (emphasis added)). Where, as here, the CID's stated purpose, and the only somewhat specific Requests focus on the one loan product discussed above, such a definition is overly broad and unreasonable. *See*, *FDIC v. Garner*, 126 F.3d 1138, 1146 (9th Cir. 1997) (finding that administrative agencies may not use their subpoena power to undertake fishing expeditions). Checksmart, therefore, requests that this term be redefined to state: "'Consumer Loan' refers to any loan offered by any subsidiary of Checksmart Financial Company, the proceeds of which are regularly delivered to borrowers in the form of a money order or other non-cash form."

The Instruction "Scope of Search" is also objectionable because it is overly broad and unduly burdensome as it seeks "materials and information in your possession, actual or constructive custody, or control, including, but not limited to, documents in the possession, custody, or control of your attorneys, accountants, other agents or consultants, directors, officers, and employees." Whether an individual or entity is acting as the Company's "agent" is a legal conclusion. The term "consultant" is subject to interpretation, and the demand for information from attorneys is indefensible. The use of "constructive custody," which is undefined, is also

---

interfere with the ability of a consumer to understand all facets of its loan and check cashing options. 12 U.S.C. § 5531.

overly burdensome as it envisions the CFPB compelling Checksmart to produce documents not in its actual possession, custody or control. It also suggests that the Bureau may compel Checksmart to try and obtain information from former employees or companies with whom Checksmart no longer works or associates with, or from former employees or independent contractors of such entities. Checksmart cannot be compelled to extract information from people or entities over whom it has no access or control. *Equal Emp't Opportunity Comm'n v. Md. Cup Corp.*, 785 F.2d 471, 479 (4th Cir. 1986) (The subject of an investigation "cannot be compelled to interview former supervisors who are no longer employed by the company, because the company no longer has access or control over these persons."). Given such issues with this Instruction, it should be modified to exclude these terms.

Checksmart also objects to the Instruction regarding "Document Identification." Given the current temporal scope of the CID, the statutorily defective statement of the investigation, and the overly broad and unduly burdensome Requests, the Instruction requiring that all produced documents "be accompanied by an index that identifies: (i) the name of each person from whom responsive documents are submitted; and (ii) the corresponding Bates number or range used to identify that person's documents" is oppressive. This is particularly true as the Bureau has cited no legal authority in support of such a request. Additionally, requiring the Company to undertake this measure above and beyond mere production of responsive materials would restrict Checksmart's ability to timely produce the requested materials, and add an additional expense it should not have to shoulder. The same objection applies to the Instructions "Information Identification" (requiring that all "information submitted shall clearly and precisely identify the request(s) to which it is responsive"); "Submission of Documents in lieu of Reports or Answers" (mandating that the Company not only "clearly indicate the specific request to

which such documents are responsive," but also "clearly identify the specific portion of the document(s) that are responsive," down to the "page, paragraph, and line numbers as applicable"); and Instruction P (regarding references to "year" or "annual," and demanding that such information must be provided "separately for each year"). These requirements should be removed from the CID.

E. Many of the Interrogatories and Document Requests Contain Vague, Ambiguous or Overly Broad Language That Should Be Modified or Removed

Many of the Requests use vague, ambiguous or overly broad words or terms. *See* Interrogatories 1 ("participated in"; "tasks"); 2 ("business locations"); 3 ("job category"; and "sales representatives"); 4 ("compensation policy"; "job category"; "sales commission"; "incentives"; "bonuses"; and "linked to"); 5 ("agreement"; "arrangement"; "understanding"; "apportions"; "business expense"; "formulation of"; and "circumstances"); 6 ("fee"; and "fee formula"); 7 ("revenue"; and "generated by"); 8 ("database system"; and "maintain"); 9 ("planning"; "design"; "implementation of"; and "business model"); 10 ("rationale"); 11 ("rationale"; and "consumer lending window"); and 12 ("destroyed"; "mislaid"; "transferred"; "deleted"; "altered"; and "overwritten"). *See also* Document Requests 1 ("consumer lending process"); 4 ("consumer lending window"); 5 ("exemplar"; "displays"; "displayed"; "provides"; and "provided to"); 6 ("exemplar"; "compensation agreements"; and "link"); 7 ("exchanged with"; and "representative"); 8 ("research reports"; and "summaries"); 9 ("reports"; "summaries"; "revenue"; "projections"; "consumer lending processes"; and "check cashing processes"); 10 ("complaints"; "lending process"; "check cashing process"; and "intermediary"). Given the lack of detail provided in the statement regarding the nature of the investigation, the breadth of some key definitions such as "Checksmart," and the unclear meaning of these words

and phrases, Checksmart will be unfairly forced to incur the great expense of not only searching through massive quantities of data to identify materials it thinks *might* comply with these Requests, but it will also have to bear the costs of storing such materials, which is disruptive to its daily operations. To comply, Checksmart will be forced to divert resources it could be using to ensure its day-to-day business is running properly.

II. CONCLUSION

The CID served on Checksmart on August 27, 2013, fails to comply with the statute governing such administrative demands and is, on its face, impermissibly broad with respect to its temporal scope. Checksmart recognizes the CFPB's investigatory powers, and the Company is willing to work with the CFPB on the production of information and documents that will advance its investigation. However, the CID, as currently written, simply requests material beyond the authority of the CFPB. Therefore, the CID is unenforceable as written and Checksmart requests that the CID be modified to include a statutorily sufficient statement regarding the nature of the investigation; that it seek information only back to January 4, 2012; that certain definitions and instructions be modified to limit the overly broad and unduly burdensome nature of the CID; and that certain vague, ambiguous or overly broad language in the Requests be modified or removed; or alternatively, that the CID be set aside.

Dated: September 20, 2013

Respectfully submitted,

By: 

Mitchel Kider
David M. Souders
WEINER BRODSKY KIDER PC
1300 19th Street, NW, 5th Floor
Washington, DC 20036
Tel: (202) 628-2000
Fax: (202) 628-2011
Email: kider@thewbkfirm.com
souders@thewbkfirm.com

Counsel for Checksmart Financial Company

CERTIFICATION

Pursuant to 12 C.F.R. § 1080.6(e)(1), Senior Vice President and General Counsel to petitioner Checksmart Financial Company, hereby certifies that she has conferred with counsel for the Consumer Financial Protection Bureau by phone on September 5, 2013, and letter correspondence, dated September 11, 2013, in a good faith effort to resolve by agreement the modifications sought by this Petition, but have been unable to reach an agreement. Among other things, Checksmart Financial Company, sought a modest modification of the CID's scope, and some of the CID's definitions and Requests. As of the date of this Petition, the CFPB agreed to modify two of the Requests. However, such modifications do not resolve the issues Checksmart expressed in its prior communications with the Bureau. As to the Company's other requested modifications, none of them were granted.

Bridgette C. Roman

Exhibit A

UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU

IN THE MATTER OF	)
CHECKSMART FINANCIAL COMPANY	)
	)

DECLARATION OF KYLE F. HANSON IN SUPPORT OF PETITION TO MODIFY OR SET ASIDE CIVIL INVESTIGATIVE DEMAND

I, Kyle F. Hanson, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am the President of Checksmart Financial Company ("Checksmart" or the "Company").

2. The facts set forth herein are based on my personal knowledge. If called upon to testify, I could and would testify competently thereto. I am submitting this declaration in support of Checksmart's Petition to Modify or Set Aside the Civil Investigative Demand from the Consumer Financial Protection Bureau.

3. I participated in the "meet and confer" conference with various CFPB personnel on September 5, 2013. I also reviewed the letter from Ori Lev, dated September 13, 2013, including footnote 1 therein. That footnote does not accurately characterize the operations of Checksmart in that it states that the Company issues loan proceeds "in the form of a check, money order, or other payment instrument on a non-routine or non-regular basis." Simply stated, in Ohio, loan proceeds are issued in the form of a money order. In all other states, Checksmart issues loan proceeds in cash. During the conversation, Mr. Orenstein asked whether Ohio was the only state where any Checksmart subsidiary provides money orders as part of a loan transaction. The response provided to that inquiry was that in states ***other than Ohio***, the only circumstance under which a customer receives loan proceeds as a money order was if the customer specifically requested a money order, and that in such an instance it would be a

separate transaction. The first transaction would be "cash out" for the loan proceeds and the second transaction would be the purchase and sale of the money order requested by the borrower, who, for example may need the money order so as to pay a bill or obligation to an unrelated creditor. In Ohio, which differs from the other states in which Checksmart does business, the proceeds of a Mortgage Loan Act loan are always issued as money orders.

4. I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 19 day of September, 2013.

Kyle F. Hanson

CERTIFICATE OF SERVICE

I hereby certify that on the 20th day of September, 2013, I caused the original of the Petition to Modify or Set Aside Civil Investigative Demand with attachments to be delivered to Kent Markus, Enforcement Director, by first class mail delivery at 1700 G Street, N.W., Washington, DC 20552, as well as by electronic mail to Enforcement@cfpb.gov; as well as a copy of the same to be delivered to the Executive Secretary of the Consumer Financial Protection Bureau, by electronic mail to ExecSec@cfpb.gov.

David M. Souders