

Exhibit 4

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**APPLICATION (Integrity
Advance, LLC)**

**FORM
#1**

**Loan #:
51804277**

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. **What this means for you:** When you open an account, we ("we" or "us" refers to "**Integrity Advance, LLC**") will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying document.

NOTICE: WE ARE REQUIRED BY LAW TO ADOPT PROCEDURES TO REQUEST AND RETAIN IN OUR RECORDS INFORMATION NECESSARY TO VERIFY YOUR IDENTITY

PERSONAL INFORMATION

| | | |
|---------------------------|--|-----------------------------------|
| Name: [REDACTED] | Social Security Number: [REDACTED] | |
| Address: [REDACTED] | City: [REDACTED] | State: [REDACTED] Zip: [REDACTED] |
| Date of Birth: [REDACTED] | Length at Address: _____ Yrs _____ Mths | Email Address: [REDACTED] |
| Home Phone: [REDACTED] | Cell Phone: [REDACTED] | Fax Number: [REDACTED] |

EMPLOYMENT INFORMATION

| | | |
|-----------------------------------|---------------------------------------|--------------------------------------|
| Employer: [REDACTED] | Month Net Income: [REDACTED] | Work Phone [REDACTED] |
| Pay Period: SemiMonthly | Next Pay Date: 1/31/2012 | 2 nd Pay Date: [REDACTED] |
| Length of Employment: 1/1/2004 | Customer Payroll Type: Direct Deposit | |
| Supervisor's Name: [REDACTED] | Supervisor or HR Phone: [REDACTED] | |

BANK INFORMATION

| | | |
|---------------------------|----------------------------|----------------------------|
| Type of Account: Checking | Routing Number: [REDACTED] | Account Number: [REDACTED] |
|---------------------------|----------------------------|----------------------------|

REFERENCE INFORMATION

| | | |
|-----------------|--------------------------------|----------------------------|
| 1. NO REFERENCE | Phone Number: (000) 000 - 0000 | Relationship: NO REFERENCE |
| 2. NO REFERENCE | Phone Number: NO REFERENCE | Relationship: NO REFERENCE |

By typing your name and clicking "I Agree" below, you are electronically signing this Application. By electronically signing and submitting this Application, you certify that all of the information provided above is true, complete and correct and provided to us for the purpose of inducing us to make the loan for which you are applying and you acknowledge receiving a fully completed copy of this Application and accompanying documents. This Application will be deemed incomplete and will not be processed by us unless agreed by you below. By electronically signing below you also agree that we may obtain and use information about you from third parties, including consumer reports, to evaluate your application and to review your account for as long as you owe any amount to us.

Signature: (X) _____

Date: _____ 8/18/2011 _____

COVERED BORROWER IDENTIFICATION STATEMENT:

Federal law provides important protections to active duty members of the Armed Forces and their dependents. To ensure that these protections are provided to eligible applicants, we require you to select and electronically sign ONE of the following statements as applicable:

PLEASE SELECT ONE OF THE FOLLOWING STATEMENTS:

I AM a regular or reserve member of the Army, Navy, Marine Corps, Air Force, or Coast Guard, serving on active duty under a call or order that does not specify a period of 30 days or fewer, or such member serving on Active National Guard duty.

I AM a dependent of a member of the Armed Forces on active duty as described above, because I am the member's spouse, the member's child under the age of eighteen years old, or I am an individual for whom the member provided more than one-half of my financial support for 180 days immediately preceding today's date.

☒ I AM NOT a regular or reserve member of the Army, Navy, Marine Corps, Air Force, or Coast Guard, serving on active duty under a call or order that does not specify a period of 30 days or fewer (or a dependent of such a member).

Signature: (X) _____

WARNING: IT IS IMPORTANT TO FILL OUT THIS FORM ACCURATELY. KNOWINGLY MAKING A FALSE STATEMENT ON A CREDIT APPLICATION IS A CRIME.

LOAN AGREEMENT

FORM Loan #:

#2 51804277

| | |
|---|---|
| Disbursement Date: <u>8/19/2011</u> Payment Date: <u>8/31/2011</u> | Loan #: 51804277 |
| (Integrity Advance, LLC) 300 Creek View Road Suite 102 Newark, DE 19711 Phone: (800) 505-6073 | NAME: [REDACTED] ADDRESS: [REDACTED] CITY: [REDACTED] STATE: [REDACTED] ZIP: [REDACTED] PHONE: [REDACTED] |

In this Loan Agreement (hereinafter, the "Loan Agreement") the words "you", "your" and "I" mean the borrower who has electronically signed it. The words "we", "us" and "our" mean Integrity Advance, LLC ("Lender"), a licensed lender of payday loans regulated by the Delaware State Bank Commissioner.

FEDERAL TRUTH IN LENDING DISCLOSURES

| ANNUAL PERCENTAGE RATE | FINANCE CHARGE | Amount Financed | Total of Payments |
|---|--|---|--|
| The cost of your credit as a yearly rate. 912.5% | The dollar amount the credit will cost you. \$90.00 | The amount of credit provided to you or on your behalf. \$300.00 | The amount you will have paid after you have made all payments as scheduled. \$390.00 |

Your Payment Schedule will be: One (1) payment of \$390.00 due on 8/31/2011 ("Payment Due Date").

Security: You are giving a security interest in the ECHECK/ACH Authorization.

Prepayment: If you pay off early, you will be entitled to a refund of the unearned portion of the finance charge.

See the terms of the Loan Agreement below for any additional information about nonpayment, default, and prepayment refunds.

Itemization of Amount Financed: Amount given to you directly: \$300.00 . Amount paid on Loan#: 51804277 with us: \$390.00.

PAYMENT OPTIONS: You must select your payment option at least three (3) business days prior to your Payment Due Date by contacting us at (800) 505-6073. At that time, you may

choose:

(a) Payment in full: You may pay the Total of Payments shown above, plus any accrued fees, to satisfy your loan in full. When you contact us and choose this option, we will debit Your Bank Account (defined below) for the Total of Payments plus any accrued fees, in accordance with the ACH Authorization below; OR

(b) Renewal: You may renew your loan (that is, extend the Payment Due Date of your loan until your next Pay Date¹) by authorizing us to debit Your Bank Account for the amount of the Finance Charge, plus any accrued fees. If you choose this option, your new Payment Due Date will be your next Pay Date¹, and the rest of the terms of the Loan Agreement will continue to apply.

AUTO-RENEWAL: If you fail to contact us to confirm your Payment Option at least three (3) business days prior to any Payment Due Date, or otherwise fail to pay the loan in full on any Pay Date, Lender may automatically renew your loan as described under (b) above, and debit Your Bank Account on the Payment Due Date or thereafter for the Finance Charge and any accrued fees. Your new Payment Due Date will be your next Pay Date¹, and the rest of the terms of the Loan Agreement will continue to apply. You must contact us at least three (3) business days prior to your new Payment Due Date to confirm your payment option for the Renewal. If you fail to contact us, or otherwise fail to pay the loan in full on your new Payment Due Date, we may automatically renew the loan until your next Pay Date.¹ After your initial loan payment, you may obtain up to four (4) Renewals. All terms of the Loan Agreement continue to apply to Renewals. All Renewals are subject to Lender's approval. Under Delaware law, if you qualify, we may allow you to enter into up to four (4) Renewals, also known as a "refinancing" or a "rollover". The full outstanding balance shall be due upon completion of the term of all Renewals, unless you qualify for Auto-Workout, as described below.

AUTO-WORKOUT. Unless you contact us to confirm your option for Payment in Full prior to your Fourth Renewal Payment Due Date, your loan will automatically be placed into a Workout Payment Plan. Under the Workout Payment Plan, Your Bank Account will automatically be debited on your Pay Date¹ for accrued finance charges plus a principal payment of \$50.00, until all amounts owed hereunder are paid in full. This does not limit any of Lender's other rights under the terms of the Loan Agreement. All Workout Payment Plans are subject to Lender's approval

DISBURSEMENT: In order to complete your transaction with us, you must electronically sign the Loan Agreement by clicking the "I Agree" button at the end of the Loan Agreement, as well as all other "I Agree" buttons that appear within the Loan Agreement and related documents that appear below. We will then approve or deny your application and the Loan Agreement. If the Loan Agreement is approved, we will use commercially reasonable efforts to effect a credit entry by depositing the proceeds from the Loan Agreement into the bank account listed below in the ECheck/ACH Authorization ("Your Bank Account") on the Disbursement Date. Unavoidable delays as a result of bank holidays, the processing schedule of your individual bank, the untimely receipt of pay stubs, if such pay stubs are required, inadvertent processing errors, "acts of God", and/or "acts of terror" may extend the time for the deposit. You will have the option of rescinding the loan and this Loan Agreement in accordance with the "RESCISSION" provision

listed below, which describes, among other things, the time and manner within which notice of rescission must be given to be effective. Failure to give such notice as and when set out in the "RESCISSION" provision will be deemed to constitute acceptance by you of the delayed disbursement date.

YOUR PROMISE TO PAY: You promise to pay us the Total of Payments according to the terms of our disclosures set forth below on the Payment Due Date and all other amounts owed to us under the Loan Agreement. You grant us a security interest in your ECheck/ACH Authorization in the amount of the Total of Payments (the "ECheck/ACH ") which we may negotiate on the Payment Due Date or thereafter. All payments will be applied first to interest and fees and then to principal. Both the amount of interest charged and rate thereof are set forth respectively in the Finance Charge and Annual Percentage Rate disclosures in the Loan Agreement. Pursuant to the ECheck/ACH Authorization, you have directed us to initiate one or more ECheck/ACH debit entries to Your Bank Account for the amounts owed to us under the Loan Agreement on the Payment Due Date or thereafter and for certain fees that may be assessed in the event of dishonor when presentment is made to your bank on your ECheck/ACH Authorization.

CONSENT TO ELECTRONIC COMMUNICATIONS : The following terms and conditions govern electronic communications in connection with the Loan Agreement and the transaction evidenced hereby (the "Consent"). By electronically signing the Loan Agreement by clicking the "I AGREE" button and entering your name below, you are confirming that you have agreed to the terms and conditions of the Consent and that you have downloaded or printed a copy of this Consent for your records. You agree that:

- Any disclosure, notice, record or other type of information that is provided to you in connection with your transaction with us, including but not limited to, the Loan Agreement, this Consent, the Truth in Lending disclosures set forth above, change-in-term notices, fee and transaction information, statements, delayed disbursement letters, notices of adverse action, state mandated brochures and disclosures, and transaction information ("Communications"), may be sent to you electronically by posting the information at our web site, **www.IAdvanceCash.com**, or by sending it to you by e-mail.
- We will not be obligated to provide any Communication to you in paper form unless you specifically request us to do so.
- You may obtain a copy of any Communication by contacting us at **300 Creek View Road, Suite 102, Newark, DE 19711**, or by calling us at **(800) 505-6073**. You also can withdraw your consent to ongoing electronic communications in the same manner, and ask that they be sent to you in paper or non-electronic form. If you choose to receive Communications in paper or non-electronic form, we may elect to terminate the Loan Agreement and demand payment of the amount then due by the date of your withdrawal of consent; or by the expiration of any minimum term mandated by law, whichever is later.
- You agree to provide us with your current e-mail address for notices at the address or phone number indicated above. If your e-mail address changes, you must send us a notice of the

new address by writing to us or sending us an e-mail, using secure messaging, at least five (5) days before the change.

- In order to receive electronic communications in connection with this transaction, you will need a working connection to the Internet. Your browser must support the Secure Sockets Layer (SSL) protocol. SSL provides a secure channel to send and receive data over the Internet. Microsoft Internet Explorer 6 and above supports this feature. You will also need either a printer connected to your computer to print disclosures/notices or sufficient hard drive space available to save the information (e.g., 1 megabyte or more). You must have your own Internet service provider.
- You hereby provide us with your express consent to receive SMS messages from us.
- We may amend (add to, delete or change) the terms of this consent to electronic communication by providing you with advance notice.

By entering your name and today's date and clicking the "I Agree" button below, you are electronically signing this document and confirming that: (1) your system meets the requirements set forth above; (2) you agree to receive Communications electronically; and (3) you are able to access and print or store information presented at this website.

SECURITY. Pursuant to Comment 2(a)(25) of the Federal Reserve Board Official Staff Commentary to Regulation Z 226.2, we have disclosed to you that our interest in the ECHECK/ACH Authorization Agreement is a security interest for Truth-in-Lending purposes only, because federal and Delaware law do not clearly address whether our interest in the ECHECK/ACH Authorization Agreement is a "security interest."

RESCISSION: You may rescind future payment obligations under the Loan Agreement, without cost or finance charges, no later than 5:00 p.m. Eastern time of the next business day immediately following the Disbursement Date ("Rescission Deadline"). To rescind future payment obligations on this loan, you must inform us **in writing**, by or before the Rescission Deadline, either by email to info@iadvancecash.com or by fax to (800)-581-8148, that you want to cancel the future payment obligations on this loan and that you authorize us to effect a debit entry to Your Bank Account for the principal amount of the Loan Agreement. In the event that we timely receive your written notice of rescission on or before the Rescission Deadline but **before** the loan proceeds have been credited to Your Bank Account, we will not effect a debit entry to Your Bank Account and both ours and your obligations under the Loan Agreement will be rescinded. In the event that we timely receive your written notice of rescission on or before the Rescission Deadline but **after** the loan proceeds have been credited to Your Bank Account, we will effect a debit to Your Bank Account for the principal amount of the Loan Agreement. If we receive payment of the principal amount via the debit, ours and your obligations under the Loan Agreement will be rescinded. If we do not receive payment of the principal amount via

the debit, then the Loan Agreement will remain in full force and effect.

SPECIAL NOTICE:

(1) THIS LOAN IS DESIGNED AS A SHORT-TERM CASH FLOW SOLUTION AND NOT DESIGNED AS A SOLUTION FOR LONGER TERM FINANCIAL PROBLEMS.

(2) ADDITIONAL FEES MAY ACCRUE IF THE LOAN IS REFINANCED OR "ROLLED OVER".

(3) CREDIT COUNSELING SERVICES ARE AVAILABLE TO CONSUMERS WHO ARE EXPERIENCING FINANCIAL PROBLEMS.

BY ENTERING YOUR NAME AND TODAY'S DATE AND CLICKING THE "I AGREE" BUTTON BELOW, YOU ARE ELECTRONICALLY SIGNING THE LOAN AGREEMENT AND AGREEING TO ALL THE TERMS OF THE LOAN AGREEMENT. YOU ALSO ACKNOWLEDGE RECEIPT OF A FULLY COMPLETED COPY OF THE LOAN AGREEMENT AND THE SCHEDULE OF CHARGES AND FEES BELOW.

A PAYDAY LOAN IS NOT INTENDED TO MEET LONG-TERM FINANCIAL NEEDS

SCHEDULE OF CHARGES AND FEES

According to the Commissioner's Regulation 2203, Section 1.0, Notification, every licensee shall furnish to every applicant a copy of the Itemized Schedule of Charges and Fees at the time when such application is made. As per the aforementioned Commissioner's Regulation 2203, Section 1.0, Notification, please review the itemized schedule of charges and fees below to better understand the charges and fees associated with your loan.

The APR, or Annual Percentage Rate, is the term for the effective interest rate that the borrower will pay on a loan to the lender in a standardized way. This is to show the total cost of credit to the consumer, expressed as an annual percentage of the amount of credit lent to the borrower. While APR is intended to make it easier to compare lenders and loan options, it can seem complicated to those that are not aware of its implications.

There is no account set up fee and, when scheduled payments are made, there are no additional fees outside the principal amount borrowed and the interest that accumulates on the amount borrowed. When comparing interest rates among companies, please note that some companies may charge set up fees, application fees, or other such charges while we do not charge for these services.

OTHER FEES

NSF FEE:\$25.00

VIP CUSTOMER FEES

| DA YS | APR | LOAN AMOUNT | | | | | | | | | | | | |
|----------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | \$100. .00 | \$150 .00 | \$200 .00 | \$250 .00 | \$300 .00 | \$350 .00 | \$400 .00 | \$450 .00 | \$500 .00 | \$550 .00 | \$600 .00 | \$650 .00 | \$700 .00 |
| 23 | 380.87 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 22 | 398.18 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 21 | 417.14 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 20 | 438.00 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 19 | 461.05 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 18 | 486.67 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 17 | 515.29 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 16 | 547.50 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 15 | 584.00 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 14 | 625.71 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 13 | 673.85 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 12 | 730.00 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 11 | 796.36 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$148 .00 |
| 10 | 876.00 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 9 | 973.33 % | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |
| 8 | 1095.0 0% | \$24.0 0 | \$36. 00 | \$48. 00 | \$60. 00 | \$72. 00 | \$84. 00 | \$96. 00 | \$108 .00 | \$120 .00 | \$132 .00 | \$144 .00 | \$156 .00 | \$168 .00 |

STANDARD LOAN FEES (NEW CUSTOMERS AND NON-VIP CUSTOMERS)

| DAYS | APR | LOAN AMOUNT | | | | | | | |
|------|---------|-------------|----------|----------|----------|----------|----------|----------|--|
| | | \$100.00 | \$150.00 | \$200.00 | \$250.00 | \$300.00 | \$350.00 | \$400.00 | |
| 23 | 476.09% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 22 | 497.73% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 21 | 521.43% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 20 | 547.50% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 19 | 576.32% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 18 | 608.33% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 17 | 644.12% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 16 | 684.38% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 15 | 730.00% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 14 | 782.14% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 13 | 842.31% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 12 | 912.50% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |
| 11 | 995.45% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | |

| | | | | | | | | | | |
|----|----------|---------|---------|---------|---------|---------|----------|----------|----------|-----|
| 10 | 1095.00% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$1 |
| 9 | 1216.67% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$1 |
| 8 | 1368.75% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$1 |

Printed Name: [REDACTED]

Signature: (X) [REDACTED]

Date: 8/18/2011

The term "Pay Date" refers to the next time following the Payment Due Date, that you receive regular wages or salary from your employer. Because Renewals are for at least fourteen (14) days, if you are paid weekly, your loan will not be Renewed until the next Pay Date that is at least fourteen days after the prior Payment Due Date.

RIGHT TO CANCEL: YOU MAY CANCEL THIS LOAN WITHOUT COST OR FURTHER OBLIGATION TO US, IF YOU DO SO BY THE END OF BUSINESS ON THE BUSINESS DAY AFTER 8/18/2011. To cancel, you may call us at **(800) 505-6073** to alert us of your intention to cancel. Alternatively, you may print this page, complete the information in this box, sign and fax it to us at **(800)-581-8148**. If you follow these procedures but there are insufficient funds available in Your Bank Account to enable us to reverse the transfer of loan proceeds at the time we effect an ACH debit entry of Your Bank Account, your cancellation will not be effective and you will be required to pay the loan and our charges on the scheduled maturity date.

Signature: (X) _____

Date: _____

ACH AUTHORIZATION (Integrity Advance, LLC) FORM #2b Loan #: 51804277
READ VERY CAREFULLY BEFORE INITIALING OR SIGNING

You hereby voluntarily authorize us, and our successors and assigns, to initiate an automatic credit and debit entry to Your Bank

NFO:

| | | |
|------------|--------------------------|------------|
| [REDACTED] | Bank Name: | [REDACTED] |
| [REDACTED] | Transit ABA Number: | [REDACTED] |
| [REDACTED] | Checking Account Number: | [REDACTED] |
| [REDACTED] | | |
| | | |
| | | |
| | | |

This ACH Authorization is a part of and relates to the Loan Agreement dated 8/18/2011 (the "Loan Agreement"). The words "you", "your" and "I" mean the borrower who has electronically signed it. The words "we", "us" and "our" mean Integrity Advance, LLC ("Lender"), a licensed lender of payday loans regulated by the Delaware State Bank Commissioner. You hereby voluntarily authorize us, and our successors and assigns, to initiate automatic credit and debit entries to Your Bank Account in accordance with the Loan Agreement. You agree that we will initiate a credit entry to Your Bank Account for the Amount Financed on or about the Disbursement Date.

You also authorize us to initiate an ACH debit entry to Your Bank Account:

- (a) for the Total of Payments plus any accrued fees on the Payment Due Date, or on any subsequent Renewal Payment Due Date, if you contact us at least three (3) business days prior to such date and select Payment Option (a) in the Loan Agreement (Pay in full);
- (b) for the Finance Charge plus any accrued fees on the Payment Due Date, or on any subsequent Renewal Payment Due Date, if you contact us at least three (3) business days prior to such date and select Payment Option (b) in the Loan Agreement (RENEWAL), or if you fail to contact us to confirm your payment option;
- (c) for the accrued finance charges and fees, plus \$50.00 on each Pay Date¹ after the fourth (4th) Renewal Payment Due Date, until all amounts owed under the Loan Agreement are paid in full; and
- (d) for any accrued Returned Payment charges, subject to the Loan Agreement.

You agree that we may re-initiate a debit entry for the same amount if the ACH debit entry is dishonored or payment is returned for any reason. The ACH Authorizations set forth in the Loan Agreement are to remain in full force and effect for this transaction until your indebtedness to us for the Total of Payments, plus any other charges or fees incurred and described in the Loan Agreement, is fully satisfied. You may only revoke the above authorizations by contacting us directly. If 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.

If a payment is returned unpaid, you authorize us to make a one-time electronic fund transfer from Your Bank Account to collect a fee of \$25. You voluntarily authorize us, and our successor and assigns, to initiate a debit entry to Your Bank Account for payment of this fee. You further authorize us to initiate debit entries as necessary to recoup the outstanding loan balance whenever an ACH transaction is returned to us for any reason. You understand and agree that this ACH authorization is provided for your convenience, and that you have authorized repayment of your loan by ACH debits voluntarily. You agree that you may repay your indebtedness through other means, including by providing timely payment via cashiers check or money order directed to: Integrity Advance, 300 Creek View Road, Suite 102, Newark, DE 19711.

You authorize us to verify all of the information that you have provided, including past and/or current information. You agree that the ACH Authorization herein is for repayment of a single payment loan, or for single payment of finance charges for Renewals, and that these entries shall not recur at substantially regular intervals. If there is any missing or erroneous information in or with your loan application regarding your bank, bank routing and transit number, or account number, then you authorize us to verify and correct such information.

If your payment is returned to us by your financial institution due to insufficient funds or a closed account, you agree that we may recover court costs and reasonable attorney's fees incurred by us.

Signature: (X) _____

Date: 8/18/2011

In addition, you also agree to the following:

1. I understand that you are licensed in the State of Delaware and operate your business within the State of Delaware. I understand that I could have traveled to Delaware to apply for a loan at your office in Delaware but I have chosen to apply for this loan via the internet, telephone and/or fax for my own convenience.
2. I understand that no binding contract between myself and you will be formed until my application is received by you in Delaware and is approved by your underwriting department, also located in Delaware.
3. I understand that if my application is approved funds will be transferred to me from our bank account in Delaware and the contract will not be completely performed until I have repaid the loan in full, along with any fees, and my payment is received by you in Delaware or is deposited electronically into our bank Account in Delaware.

X [REDACTED] Initial here only if you have read, agree to, and understand the statements, policies and procedures listed above.

4. I acknowledge that I have received and read the Integrity Advance Privacy Policy.

5. I understand that I may make choices regarding the way that the Integrity Advance family of companies uses and shares my information. I acknowledge the following notice regarding those choices:

- The Integrity Advance family of companies is providing this notice.
- Federal law gives you the right to limit some but not all marketing from the Integrity Advance Companies. Federal law also requires us to give you this notice to tell you about your choice to limit marketing from the Integrity Advance Companies.
- You may limit the Integrity Advance affiliated companies, from marketing their products or services to you based on your personal information that they receive from other Integrity Advance companies. This information includes your income, your account history, and your credit history, report, or score.
- Your choice to limit marketing offers from the Integrity Advance companies will apply until you tell us to change your choice.
- If you have already made a choice to limit marketing offers from the Integrity Advance companies, you do not need to act again.
- To limit our sharing of information with Third Parties and Affiliated Companies, and/or to limit marketing offers from Affiliated Companies, contact us:
 - Electronically, by clicking submitting our online opt-out form
 - By Mail or Fax: By printing out and completing the Mail or Fax opt-out form and sending the form to: 300 Creek View Road, Suite 102, Newark, DE 19711 or via Fax to 302-861-1717.

I certify that I have received, read and understood this notice regarding my Opt-out choices.

X [REDACTED] Initial here only if you have read, agree to, and understand the statements, policies and procedures listed above.

6. I understand that the Loan Agreement and any subsequent agreements between myself and you are subject to Delaware law, that I agree to be bound by such law, and acknowledge that, in the event of a bona fide dispute between myself and you, that Delaware law shall exclusively apply to such disputes, regardless of where any proceedings are held.

7. I understand that submitting false information to induce you to grant me a loan, i.e., a false social security number, false identification, altered bank statements, etc., constitutes fraud and

may subject me to criminal penalties. I further acknowledge that you have disclosed your policy that you will report such instances of fraud to the appropriate law enforcement agencies.

8. I understand if I prefer to pay all or part of the loan amount, rather than accept the refinancing, I can call you at **(800) 505-6073** at least three (3) business days before my payment is due.

9. I understand and accept if I default on my loan and I do not cooperate with you on repaying my debt, including the original loan amount and all fees that may apply, you may submit my name to a collection agency and report the incident to a consumer reporting agency database, such as Teletrack and/or CL Verify, which may negatively impact my ability to write checks and to receive loans or advances from other companies.

10. I understand and accept if my account is turned over to a third party collection agency and they are unable to collect the amount owed you, the collection agency will then pursue every action granted to them under the law, including but not limited to wage garnishment.

· if you have read, agree to, and understand the statements, policies and procedures listed above.

^{1[1]} The term "Pay Date" refers to the next time following the Payment Due Date, that you receive regular wages or salary from your employer. Because Renewals are for at least fourteen (14) days, if you are paid weekly, your loan will not be Renewed until the next Pay Date that is at least fourteen days after the prior Payment Due Date.

ARBITRATION PROVISION

FORM #3

(Integrity Advance, LLC) Loan #: 51804277

Borrower's Name: [REDACTED]

Date:
8/18/2011

Borrower: PLEASE READ AND COMPLETE THE FOLLOWING:

DEFAULT, GOVERNING LAW, ASSIGNMENT AND EXECUTION. You will be in default if you do not pay us the amounts you owe us under the Loan Agreement. The Application, Loan Agreement, and ACH Authorization, will be governed by the laws of the State of Delaware. This Arbitration Provision is governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16 ("FAA"). We may assign or transfer the Loan Agreement or any of our rights

hereunder. If the Loan Agreement is consummated, then you agree that the electronically signed Loan Agreement, ACH Authorization, and Arbitration Provision we receive from you will be considered the original executed Loan Agreement, ACH Authorization, and Arbitration Provision, respectively, which are binding and enforceable as to both parties.

WAIVER OF JURY TRIAL AND ARBITRATION PROVISION. Arbitration is a process in which persons with a dispute: (a) waive their rights to file a lawsuit and proceed in court and to have a jury trial to resolve their disputes; and (b) agree, instead, to submit their disputes to a neutral third person (an "arbitrator") for a decision. Each party to the dispute has an opportunity to present some evidence to the arbitrator. Pre-arbitration discovery may be limited. Arbitration proceedings are private and less formal than court trials. The arbitrator will issue a final and binding decision resolving the dispute, which may be enforced as a court judgment. A court rarely overturns an arbitrator's decision. We have a policy of arbitrating all disputes with customers which cannot be resolved in a small claims tribunal, including the scope and validity of this Arbitration Provision and any right you may have to participate in an alleged class action.

THEREFORE, YOU ACKNOWLEDGE AND AGREE AS FOLLOWS:

1. For purposes of this Waiver of Jury Trial and Arbitration Provision, the words "dispute" and "disputes" are given the broadest possible meaning and include, without limitation (a) all claims, disputes, or controversies arising from or relating directly or indirectly to the signing of this Arbitration Provision, the validity and scope of this Arbitration Provision and any claim or attempt to set aside this Arbitration Provision; (b) all federal or state law claims, disputes or controversies, arising from or relating directly or indirectly to the Loan Agreement, the information you gave us before entering into the Loan Agreement, including the customer information application, and/or any past agreement or agreements between you and us; (c) all counterclaims, cross-claims and third-party claims; (d) all common law claims, based upon contract, tort, fraud, or other intentional torts; (e) all claims based upon a violation of any state or federal constitution, statute or regulation; (f) all claims asserted by us against you, including claims for money damages to collect any sum we claim you owe us; (g) all claims asserted by you individually against us and/or any of our employees, agents, directors, officers, shareholders, governors, managers, members, parent company or affiliated entities (hereinafter collectively referred to as "related third parties"), including claims for money damages and/or equitable or injunctive relief; (h) all claims asserted on your behalf by another person; (i) all claims asserted by you as a private attorney general, as a representative and member of a class of persons, or in any other representative capacity, against us and/or related third parties (hereinafter referred to as "Representative Claims"); and/or (j) all claims arising from or relating directly or indirectly to the disclosure by us or related third parties of any non-public personal information about you.

2. You acknowledge and agree that by entering into this Arbitration Provision:

- (a) **YOU ARE GIVING UP YOUR RIGHT TO HAVE A TRIAL BY JURY TO RESOLVE ANY DISPUTE ALLEGED AGAINST US OR RELATED THIRD PARTIES;**
- (b) **YOU ARE GIVING UP YOUR RIGHT TO HAVE A COURT, OTHER THAN A SMALL CLAIMS TRIBUNAL, RESOLVE ANY DISPUTE ALLEGED AGAINST US OR RELATED THIRD PARTIES; and**
- (c) **YOU ARE GIVING UP YOUR RIGHT TO SERVE AS A REPRESENTATIVE, AS A**

PRIVATE ATTORNEY GENERAL, OR IN ANY OTHER REPRESENTATIVE CAPACITY, AND/OR TO PARTICIPATE AS A MEMBER OF A CLASS OF CLAIMANTS, IN ANY LAWSUIT FILED AGAINST US AND/OR RELATED THIRD PARTIES.

3. Except as provided in Paragraph 6 below, all disputes including any Representative Claims against us and/or related third parties shall be resolved by binding arbitration only on an individual basis with you. **THEREFORE, THE ARBITRATOR SHALL NOT CONDUCT CLASS ARBITRATION; THAT IS, THE ARBITRATOR SHALL NOT ALLOW YOU TO SERVE AS A REPRESENTATIVE, AS A PRIVATE ATTORNEY GENERAL, OR IN ANY OTHER REPRESENTATIVE CAPACITY FOR OTHERS IN THE ARBITRATION.**

4. Any party to a dispute, including related third parties, may send the other party written notice by certified mail return receipt requested of their intent to arbitrate and setting forth the subject of the dispute along with the relief requested, even if a lawsuit has been filed. Regardless of who demands arbitration, you shall have the right to select any of the following arbitration organizations to administer the arbitration: the American Arbitration Association (1-800-778-7879) <http://www.adr.org> or JAMS (1-800-352-5267) <http://www.jamsadr.com>. The parties may also agree to select an arbitrator who resides within your federal judicial district who is an attorney, retired judge, or arbitrator registered and in good standing with an arbitration association, and arbitrate in accordance with such arbitrator's rules. The party receiving notice of arbitration will respond in writing by certified mail return receipt requested within twenty (20) days. If you demand arbitration, you must inform us in your demand of the arbitration organization you have selected or whether you desire to select a local arbitrator. If related third parties or we demand arbitration, you must notify us within twenty (20) days in writing by certified mail return receipt requested of your decision to select an arbitration organization. If you fail to notify us, then we have the right to select an arbitration organization. The parties to such dispute will be governed by the rules and procedures of such arbitration organization applicable to consumer disputes, to the extent those rules and procedures do not contradict the express terms of this Arbitration Provision, including the limitations on the arbitrator below. You may obtain a copy of the rules and procedures by contacting the arbitration organization listed above.

5. Regardless of who demands arbitration, at your request we will advance your portion of the arbitration expenses, including the filing, administrative, hearing and arbitrator's fees ("Arbitration Fees"). Throughout the arbitration, each party shall bear his or her own attorneys' fees and expenses, such as witness and expert witness fees. The arbitrator shall apply applicable substantive law consistent with the FAA, and applicable statutes of limitation, and shall honor claims of privilege recognized at law. The arbitration hearing will be conducted in the county of your residence. The arbitrator may decide, with or without a hearing, any motion that is substantially similar to a motion to dismiss for failure to state a claim or a motion for summary judgment. In conducting the arbitration proceeding, the arbitrator shall not apply any federal or state rules of civil procedure or evidence. If allowed by statute or applicable law, the arbitrator may award statutory damages and/or reasonable attorneys' fees and expenses. If the arbitrator renders a decision or an award in your favor resolving the dispute, then you will not be

responsible for reimbursing us for your portion of the Arbitration Fees, and we will reimburse you for any Arbitration Fees you have previously paid. If the arbitrator does not render a decision or an award in your favor resolving the dispute, then the arbitrator shall require you to reimburse us for the Arbitration Fees we have advanced, not to exceed the amount which would have been assessed as court costs if the dispute had been resolved by a state court with jurisdiction, less any Arbitration Fees you have previously paid. At the timely request of any party, the arbitrator shall provide a written explanation for the award. The arbitrator's award may be filed with any court having jurisdiction.

6. All parties, including related third parties, shall retain the right to seek adjudication in a small claims tribunal in the county of your residence for disputes within the scope of such tribunal's jurisdiction. Any dispute, which cannot be adjudicated within the jurisdiction of a small claims tribunal, shall be resolved by binding arbitration. Any appeal of a judgment from a small claims tribunal shall be resolved by binding arbitration.

7. This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA. If a final non-appealable judgment of a court having jurisdiction over this transaction finds, for any reason, that the FAA does not apply to this transaction, then our agreement to arbitrate shall be governed by the arbitration law of the State of Delaware.

8. This Arbitration Provision is binding upon and benefits you, your respective heirs, successors and assigns. This Arbitration Provision is binding upon and benefits us, our successors and assigns, and related third parties. This Arbitration Provision continues in full force and effect, even if your obligations have been paid or discharged through bankruptcy. This Arbitration Provision survives any cancellation, termination, amendment, expiration or performance of any transaction between you and us and continues in full force and effect unless you and we otherwise agree in writing. If any of this Arbitration Provision is held invalid, the remainder shall remain in effect.

9. **OPT-OUT PROCESS.** You may choose to opt out of the Arbitration Provision, but only by following the process set-forth below. If you do not wish to be subject to this Arbitration Provision, then you must notify us in writing within sixty (60) calendar days of the date of this Arbitration Provision at the following address: Integrity Advance, 300 Creek View Road, Suite 102, Newark, DE 19711. Your written notice must include your name, address, account number or social security number, the date of this Arbitration Provision, and a statement that you wish to opt out of this Arbitration Provision. If you choose to opt out, then your choice will apply only to the Application, Loan Agreement, ACH Authorization, and Arbitration Provisions submitted by you in this transaction.

By entering your name and clicking the "I Agree" button below, you are electronically signing and agreeing to all the terms of the Loan Agreement, the Arbitration Provision, and the ACH Authorization ("the Loan Documents") and providing or confirming your electronic signature on all of the Loan Documents, and you are expressly consenting to receive SMS messages from us. You agree that your electronic signature has the full force and effect of your physical signature and that it binds you to the Loan Documents in the

same manner a physical signature would do so. By electronically signing below, you also acknowledge that all of the Loan Documents were filled in before you did so and you have read, understand, and agree to all of the terms of the Loan Documents, including the provision entitled "WAIVER OF JURY TRIAL AND ARBITRATION PROVISION" and the Privacy Policy and Covered Borrower Identification Statement. You agree that your right to file suit against us for any claim or dispute regarding the Loan Documents or your relationship with us is limited by the WAIVER OF JURY TRIAL AND ARBITRATION PROVISION. You also agree that all information you provided to us prior to or during the completion of the Loan Documents is complete and accurate. You represent that you are not a debtor under any proceeding in bankruptcy and have no intention to file a petition for relief under any chapter of the United States Bankruptcy Code.

Printed Name: [REDACTED]

Signature: (X) [REDACTED] Date: 8/18/2011

Electronic Signature Information

| eSignature Field | eSignature Value |
|----------------------------------|------------------|
| Application Signature: | [REDACTED] |
| Loan Note Signature: | [REDACTED] |
| Loan Note Supplement Initials 1: | [REDACTED] |
| Loan Note Supplement Initials 2: | [REDACTED] |
| Loan Note Supplement Initials 3: | [REDACTED] |
| Loan Note Supplement Signature: | [REDACTED] |
| ACH Authorization Signature: | [REDACTED] |
| Non Military Signature: | [REDACTED] |

Exhibit 5

APPLICATION (Integrity Advance, LLC) FORM #1 Loan #: 54148642

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. *What this means for you:* When you open an account, we ("we" or "us" refers to "Integrity Advance, LLC") will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying document.

NOTICE: WE ARE REQUIRED BY LAW TO ADOPT PROCEDURES TO REQUEST AND RETAIN IN OUR RECORDS INFORMATION NECESSARY TO VERIFY YOUR IDENTITY

PERSONAL INFORMATION

| | | |
|--------------------------------|--|---------------------------|
| Name: [REDACTED] | Social Security Number: [REDACTED] | |
| Address: [REDACTED] | City: [REDACTED] | State: TX Zip: [REDACTED] |
| Date of Birth: [REDACTED] 1982 | Length at Address: _____ Yrs _____ Mths _____ | Email Address: [REDACTED] |
| Home Phone: [REDACTED] | Cell Phone: [REDACTED] | Fax Number: [REDACTED] |

EMPLOYMENT INFORMATION

| | | |
|--------------------------------|------------------------------------|--------------------------|
| Employer: [REDACTED] | Month Net Income: [REDACTED] | Work Phone: [REDACTED] |
| Pay Period: BiWeekly | Next Pay Date: 2/3/2012 | 2nd Pay Date: [REDACTED] |
| Length of Employment: 1/1/2004 | Length of Employment: 1/1/2004 | |
| Supervisor's Name: tyra | Supervisor or HR Phone: [REDACTED] | |

BANK INFORMATION

| | | |
|---------------------------|----------------------------|----------------------------|
| Type of Account: Checking | Routing Number: [REDACTED] | Account Number: [REDACTED] |
|---------------------------|----------------------------|----------------------------|

REFERENCE INFORMATION

| | | |
|-----------------|--------------------------------|----------------------------|
| 1. NO REFERENCE | Phone Number: (000) 000 - 0000 | Relationship: NO REFERENCE |
| 2. NO REFERENCE | Phone Number: NO REFERENCE | Relationship: NO REFERENCE |

By typing your name and clicking "I Agree" below, you are electronically signing this Application. By electronically signing and submitting this Application, you certify that all of the information provided above is true, complete and correct and provided to us for the purpose of inducing us to make the loan for which you are applying and you acknowledge receiving a fully completed copy of this Application and accompanying documents. This Application will be deemed incomplete and will not be processed by us unless agreed by you below. By electronically signing below you also agree that we may obtain and use information about you from third parties, including consumer reports, to evaluate your application and to review your account for as long as you owe any amount to us.

COVERED BORROWER IDENTIFICATION STATEMENT:

Federal law provides important protections to active duty members of the Armed Forces and their dependents. To ensure that these protections are provided to eligible applicants, we require you to select and electronically sign ONE of the following statements as applicable:

I AM a regular or reserve member of the Army, Navy, Marine Corps, Air Force, or Coast Guard, serving on active duty under a call or order that does not specify a period of 30 days or fewer, or such member serving on Active National Guard duty.

I AM a dependent of a member of the Armed Forces on active duty as described above, because I am the member's spouse, the member's child under the age of eighteen years old, or I am an individual for whom the member provided more than one-half of my financial support for 180 days immediately preceding today's date.

I AM NOT a regular or reserve member of the Army, Navy, Marine Corps, Air Force, or Coast Guard, serving on active duty under a call or order that does not specify a period of 30 days or fewer (or a dependent of such a member).

WARNING: IT IS IMPORTANT TO FILL OUT THIS FORM ACCURATELY. KNOWINGLY MAKING A FALSE STATEMENT ON A CREDIT APPLICATION IS A CRIME.

LOAN AGREEMENT FORM #2 Loan #: 54148642

Disbursement Date: 12/1/2011

Payment Date: 12/9/2011

Loan #: 54148642

(Integrity Advance, LLC) 300 Creek View Road Suite
102 Newark, DE 19711 Phone: (800) 505-6073

NAME: [REDACTED] ADDRESS: [REDACTED]
STATE: [REDACTED] ZIP: [REDACTED] PHONE: [REDACTED]

In this Loan Agreement (hereinafter, the "Loan Agreement") the words "you", "your" and "I" mean the borrower who has electronically signed it. The words "we", "us" and "our" mean Integrity Advance, LLC ("Lender"), a licensed lender of payday loans regulated by the Delaware State Bank Commissioner.

FEDERAL TRUTH IN LENDING DISCLOSURES

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

| ANNUAL PERCENTAGE RATE | FINANCE CHARGE | Amount Financed | Total of Payments |
|---|--|---|--|
| The cost of your credit as a yearly rate. 1368.75% | The dollar amount the credit will cost you. \$90.00 | The amount of credit provided to you or on your behalf. \$300.00 | The amount you will have paid after you have made all payments as scheduled. \$390.00 |

Security: You are giving a security interest in the ACH Authorization.

Prepayment: If you pay off early, you will be entitled to a refund of the unearned portion of the finance charge.

See the terms of the Loan Agreement below for any additional information about nonpayment, default, and prepayment refunds.

Itemization of Amount Financed: Amount given to you directly: \$300.00. Amount paid on Loan#: 54148642 with us: \$390.00.

PAYMENT OPTIONS: You must select your payment option at least three (3) business days prior to your Payment Due Date by contacting us at (800) 505-6073. At that time, you may choose:

(a) **Payment in full:** You may pay the Total of Payments shown above, plus any accrued fees, to satisfy your loan in full. When you contact us and choose this option, we will debit Your Bank Account (defined below in the ACH Authorization) for the Total of Payments plus any accrued fees, in accordance with the ACH Authorization below; OR

(b) **Renewal:** You may renew your loan (that is, extend the Payment Due Date of your loan until your next Pay Date*) by authorizing us to debit Your Bank Account for the amount of the Finance Charge, plus any accrued fees. If you choose this option, your new Payment Due Date will be your next Pay Date, and the rest of the terms of the Loan Agreement will continue to apply.

* The term "Pay Date," as used in this Loan Agreement, refers to the next time following the Payment Due Date, that you receive regular wages or salary from your employer. Because Renewals are for at least fourteen (14) days, if you are paid weekly, your loan will not be Renewed until the next Pay Date that is at least fourteen days after the prior Payment Due Date.

AUTO-RENEWAL: If you fail to contact us to confirm your Payment Option at least three (3) business days prior to any Payment Due Date, or otherwise fail to pay the loan in full on any Pay Date, Lender may automatically renew your loan as described under (b) above, and debit Your Bank Account on the Payment Due Date or thereafter for the Finance Charge and any accrued fees. Your new Payment Due Date will be your next Pay Date, and the rest of the terms of the Loan Agreement will continue to apply. You must contact us at least three (3) business days prior to your new Payment Due Date to confirm your payment option for the Renewal. If you fail to contact us, or otherwise fail to pay the loan in full on your new Payment Due Date, we may automatically renew the loan until your next Pay Date. After your initial loan payment, you may obtain up to four (4) Renewals. All terms of the Loan Agreement continue to apply to Renewals. All Renewals are subject to Lender's approval. Under Delaware law, if you qualify, we may allow you to enter into up to four (4) Renewals, also known as a "refinancing" or a "rollover". The full outstanding balance shall be due upon completion of the term of all Renewals, unless you qualify for Auto-Workout, as described below.

AUTO-WORKOUT: Unless you contact us to confirm your option for Payment in Full prior to your Fourth Renewal Payment Due Date, your loan will automatically be placed into an Auto-Workout payment plan. Under the Auto-Workout payment plan, Your Bank Account will automatically be debited on your Pay Date for accrued finance charges plus a principal payment of \$50.00, until all amounts owed hereunder are paid in full. This does not limit any of Lender's other rights under the terms of the Loan Agreement. All Auto-Workout payment plans are subject to Lender's approval.

DISBURSEMENT: In order to complete your transaction with us, you must electronically sign the Loan Agreement by clicking the "I Agree" button at the end of the Loan Agreement, as well as all other "I Agree" buttons that appear within the Loan Agreement and related documents that appear below. We will then approve or deny your application and the Loan Agreement. If the Loan Agreement is approved, we will use commercially reasonable efforts to affect a credit entry by depositing the proceeds from the Loan Agreement into Your Bank Account on the Disbursement Date. Unavoidable delays as a result of bank holidays, the processing schedule of your individual bank, the untimely receipt of pay stubs, if such pay stubs are required, inadvertent processing errors, "acts of God", and/or "acts of terror" may extend the time for the deposit. You will have the option of rescinding the loan and this Loan Agreement in accordance with the "RESCISSION" provision listed below, which describes, among other things, the time and manner within which notice of rescission must be given to be effective. Failure to give such notice as and when set out in the "RESCISSION" provision will be deemed to constitute acceptance by you of the delayed disbursement date.

YOUR PROMISE TO PAY: You promise to pay us the Total of Payments according to the terms of our disclosures set forth below on the Payment Due Date and all other amounts owed to us under the Loan Agreement. You grant us a security interest in your ACH Authorization (defined below) in the amount of the Total of Payments which we may negotiate on the Payment Due Date or thereafter. All payments will be applied first to interest and fees and then to principal. Both the amount of interest charged and rate thereof are set forth respectively in the Finance Charge and Annual Percentage Rate disclosures in the Loan Agreement. Pursuant to the ACH Authorization, you have directed us to initiate one or more ECheck/ACH (collectively "ACH") automatic credit debit entries to Your Bank Account for the amounts owed to us under the Loan Agreement on the Payment Due Date or thereafter and for certain fees that may be assessed in the event of dishonor when presentment is made to your bank on your ACH Authorization.

CONSENT TO ELECTRONIC COMMUNICATIONS: The following terms and conditions govern electronic communications in connection with the Loan Agreement and the transaction evidenced hereby (the "Consent"). By electronically signing the Loan Agreement by clicking the "I AGREE" button and entering your name below, you are confirming that you have agreed to the terms and conditions of the Consent and that you have downloaded or printed a copy of this Consent for your records. You agree that:

- Any disclosure, notice, record or other type of information that is provided to you in connection with your transaction with us, including but not limited to, the Loan Agreement, this Consent, the Truth in Lending disclosures set forth above, change-in-term notices, fee and transaction information, statements, delayed disbursement letters, notices of adverse action, state mandated

brochures and disclosures, and transaction information (â€œCommunicationsâ€), may be sent to you electronically by posting the information at our web site, www.IAdvanceCash.com, or by sending it to you by e-mail.

- We will not be obligated to provide any Communication to you in paper form unless you specifically request us to do so.
- You may obtain a copy of any Communication by contacting us at 300 Creek View Road, Suite 102, Newark, DE 19711, or by calling us at (800) 505-6073. You also can withdraw your consent to ongoing electronic communications in the same manner, and ask that they be sent to you in paper or non-electronic form. If you choose to receive Communications in paper or non-electronic form, we may elect to terminate the Loan Agreement and demand payment of the amount then due by the date of your withdrawal of consent, or by the expiration of any minimum term mandated by law, whichever is later.
- You agree to provide us with your current e-mail address for notices at the address or phone number indicated above. If your e-mail address changes, you must send us a notice of the new address by writing to us or sending us an e-mail, using secure messaging, at least five (5) days before the change.
- In order to receive electronic communications in connection with this transaction, you will need a working connection to the Internet. Your browser must support the Secure Sockets Layer ("SSL") protocol. SSL provides a secure channel to send and receive data over the Internet. Microsoft Internet Explorer 6 and above supports this feature. You will also need either a printer connected to your computer to print disclosures/notices or sufficient hard drive space available to save the information (c.g., 1 megabyte or more). You must have your own Internet service provider.
- You hereby provide us with your express consent to receive SMS messages from us via any of the phone numbers provided to us.
- We may amend (add to, delete or change) the terms of this Consent to electronic communication by providing you with advance notice in accordance with applicable law.

By entering your name and today's date and clicking the "I Agree" button below, you are electronically signing this document and confirming that: (1) your system meets the requirements set forth above; (2) you agree to receive Communications electronically; and (3) you are able to access and print or store information presented at this website.

SECURITY: Pursuant to Comment 2(a)(25) of the Federal Reserve Board Official Staff Commentary to Regulation Z 226.2, we have disclosed to you that our interest in the ACH Authorization is a security interest for Truth-in-Lending purposes only, because federal and Delaware law do not clearly address whether our interest in the ACH Authorization is a "security interest."

RESCISSION: You may rescind future payment obligations under the Loan Agreement, without cost or finance charges, no later than 5:00 p.m. Eastern time of the next business day immediately following the Disbursement Date ("Rescission Deadline"). To rescind future payment obligations on this loan, you must inform us in writing, by or before the Rescission Deadline, either by email to info@iadvancecash.com or by fax to (800)-581-8148, that you want to cancel the future payment obligations on this loan and that you authorize us to effect a debit entry to Your Bank Account for the principal amount of the Loan Agreement. In the event that we timely receive your written notice of rescission on or before the Rescission Deadline but before the loan proceeds have been credited to Your Bank Account, we will not affect a debit entry to Your Bank Account and both ours and your obligations under the Loan Agreement will be rescinded. In the event that we timely receive your written notice of rescission on or before the Rescission Deadline but after the loan proceeds have been credited to Your Bank Account, we will affect a debit to Your Bank Account for the principal amount of the Loan Agreement. If we receive payment of the principal amount via the debit, ours and your obligations under the Loan Agreement will be rescinded. If we do not receive payment of the principal amount via the debit, then the Loan Agreement will remain in full force and effect.

ASSIGNMENT: This Agreement may not be assigned by you. We may assign or transfer this Agreement and our related rights and obligations without notice to you and your consent is not required if we make such an assignment or transfer.

DEFAULT: You will be in default under this Agreement if you do not pay us what you owe us when due or your chosen payment method is stopped, denied or otherwise dishonored.

REFUSED INSTRUMENT CHARGE: If your payment method is stopped, denied or otherwise dishonored, then you agree to pay us a non-sufficient funds (â€œNSFâ€) fee of \$25.

GOVERNING LAW: The laws of the State of Delaware will govern this Agreement. However, any dispute arising out of this Loan Agreement and any renewal thereof will be subject to the ARBITRATION PROVISION, which is governed by the Federal Arbitration Act.

SPECIAL NOTICE:

(1) THIS LOAN IS DESIGNED AS A SHORT-TERM CASH FLOW SOLUTION AND NOT DESIGNED AS A SOLUTION FOR LONGER TERM FINANCIAL PROBLEMS.

(2) ADDITIONAL FEES MAY ACCRUE IF THE LOAN IS REFINANCED OR "ROLLED OVER".

(3) CREDIT COUNSELING SERVICES ARE AVAILABLE TO CONSUMERS WHO ARE EXPERIENCING FINANCIAL PROBLEMS.

BY ENTERING YOUR NAME AND TODAY'S DATE AND CLICKING THE "I AGREE" BUTTON BELOW, YOU ARE ELECTRONICALLY SIGNING THE LOAN AGREEMENT AND AGREEING TO ALL THE TERMS OF THE LOAN AGREEMENT. YOU ALSO ACKNOWLEDGE RECEIPT OF A FULLY COMPLETED COPY OF THE LOAN AGREEMENT AND THE SCHEDULE OF CHARGES AND FEES BELOW.

SCHEDULE OF CHARGES AND FEES

A PAYDAY LOAN IS NOT INTENDED TO MEET LONG-TERM FINANCIAL NEEDS

According to the Commissionerâ€™s Regulation 2203, Section 1.0, Notification, every licensee shall furnish to every applicant a copy of the Itemized Schedule of Charges and Fees at the time when such application is made. As per the aforementioned Commissionerâ€™s Regulation 2203, Section 1.0, Notification, please review the itemized schedule of charges and fees below to better understand the charges

and fees associated with your loan.

The APR, or Annual Percentage Rate, is the term for the effective interest rate that the borrower will pay on a loan to the lender in a standardized way. This is to show the total cost of credit to the consumer, expressed as an annual percentage of the amount of credit lent to the borrower. While APR is intended to make it easier to compare lenders and loan options, it can seem complicated to those that are not aware of its implications.

There is no account set up fee and, when scheduled payments are made, there are no additional fees outside the principal amount borrowed and the interest that accumulates on the amount borrowed. When comparing interest rates among companies, please note that some companies may charge set up fees, application fees, or other such charges while we do not charge for these services.

OTHER FEES

NSF FEE:\$25.00

VIP CUSTOMER FEES

LOAN AMOUNT

| DAYS | APR | \$100.00 | \$150.00 | \$200.00 | \$250.00 | \$300.00 | \$350.00 | \$400.00 | \$450.00 | \$500.00 | \$550.00 | \$600.00 | \$650.00 | \$700.00 |
|------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 23 | 380.87% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 22 | 398.18% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 21 | 417.14% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 20 | 438.00% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 19 | 461.05% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 18 | 486.67% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 17 | 515.29% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 16 | 547.50% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 15 | 584.00% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 14 | 625.71% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 13 | 673.85% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 12 | 730.00% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 11 | 796.36% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$148.00 |
| 10 | 876.00% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 9 | 973.33% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 8 | 1095.00% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |

STANDARD LOAN FEES (NEW CUSTOMERS AND NON-VIP CUSTOMERS)

LOAN AMOUNT

| DAYS | APR | \$100.00 | \$150.00 | \$200.00 | \$250.00 | \$300.00 | \$350.00 | \$400.00 | \$450.00 | \$500.00 |
|------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 23 | 476.09% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 22 | 497.73% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 21 | 521.43% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 20 | 547.50% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 19 | 576.32% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 18 | 608.33% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 17 | 644.12% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 16 | 684.38% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 15 | 730.00% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 14 | 782.14% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 13 | 842.31% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 12 | 912.50% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 11 | 995.45% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 10 | 1095.00% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 9 | 1216.67% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 8 | 1368.75% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |

RIGHT TO CANCEL: YOU MAY CANCEL THIS LOAN WITHOUT COST OR FURTHER OBLIGATION TO US, IF YOU DO SO BY THE END OF BUSINESS ON THE BUSINESS DAY AFTER 11/30/2011. To cancel, you may call us at (800) 505-6073 to alert us of your intention to cancel. Alternatively, you may print this page, complete the information in this box, sign and fax it to us at (800)-581-8148. If you follow these procedures but there are insufficient funds available in Your Bank Account to enable us to reverse the transfer of loan proceeds at the time we effect an ACH debit entry of Your Bank Account, your cancellation will not be effective and you will be required to pay the loan and our charges on the scheduled maturity date.

Signature: (X) _____ Date: _____

ACH AUTHORIZATION (Integrity Advance, LLC) FORM #2b Loan #: 54148642 READ VERY CAREFULLY BEFORE INITIALING OR SIGNING

ACH AUTHORIZATION: You hereby voluntarily authorize us, and our successors and assigns, to initiate an ACH entry to Your Bank Account as described below:

"YOUR BANK ACCOUNT" INFO:

Name:



Bank Name:



Address: [REDACTED]
City, State Zip: [REDACTED]
Phone: [REDACTED]

Transit ABA Number: [REDACTED]
Checking Account Number: [REDACTED]

Amount: \$390.00
Payment Due Date: 12/9/2011

This ACH Authorization is a part of and relates to the Loan Agreement dated 11/30/2011 (the "Loan Agreement"). The words "you", "your" and "I" mean the borrower who has electronically signed it. The words "we", "us" and "our" mean Integrity Advance, LLC ("Lender"), a licensed lender of payday loans regulated by the Delaware State Bank Commissioner. You hereby voluntarily authorize us, and our successors and assigns, to initiate automatic credit and debit entries to Your Bank Account in accordance with the Loan Agreement. You agree that we will initiate a credit entry to Your Bank Account for the Amount Financed on or about the Disbursement Date. You agree that we may initiate a debit entry to Your Bank Account up to two additional times after our first presentation and re-initiate a debit entry for the same amount if the ACH is dishonored.

You also authorize us to initiate an ACH debit entry to Your Bank Account:

(a) for the Total of Payments plus any accrued fees on the Payment Due Date, or on any subsequent Renewal Payment Due Date, if you contact us at least three (3) business days prior to such date and select Payment Option (a) in the Loan Agreement (Pay in full);

(b) for the Finance Charge plus any accrued fees on the Payment Due Date, or on any subsequent Renewal Payment Due Date, if you contact us at least three (3) business days prior to such date and select Payment Option (b) in the Loan Agreement (RENEWAL), or if you fail to contact us to confirm your payment option;

(c) for the accrued finance charges and fees, plus \$50.00 on each Pay Date after the fourth (4th) Renewal Payment Due Date, until all amounts owed under the Loan Agreement are paid in full; and

(d) for any accrued NSF Fees, subject to the Loan Agreement.

The ACH Authorizations set forth in the Loan Agreement are to remain in full force and effect for this transaction until your indebtedness to us for the Total of Payments, plus any other charges or fees incurred and described in the Loan Agreement, is fully satisfied. You may only revoke the above authorizations by contacting us directly. If 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.

You further authorize us to initiate two additional debit entries as necessary to recoup the outstanding loan balance whenever an ACH transaction is returned to us for any reason. You understand and agree that this ACH Authorization is provided for your convenience, and that you have authorized repayment of your loan by ACH debits voluntarily. You agree that you may repay your indebtedness through other means, including by providing timely payment via cashiers check or money order directed to: Integrity Advance, 300 Creek View Road, Suite 102, Newark, DE 19711.

You authorize us to verify all of the information that you have provided, including past and/or current information. You agree that the ACH Authorization herein is for repayment of a single payment loan, or for single payment of finance charges for Renewals, and that these entries shall not recur at substantially regular intervals. If there is any missing or erroneous information in or with your loan application regarding your bank, bank routing and transit number, or account number, then you authorize us to verify and correct such information.

If your payment is returned to us by your financial institution due to insufficient funds or a closed account, you agree that we may recover court costs and reasonable attorney's fees incurred by us.

In addition, you also agree to the following:

1. I understand that you are licensed in the State of Delaware and operate your business within the State of Delaware. I understand that I could have traveled to Delaware to apply for a loan at your office in Delaware but I have chosen to apply for this loan via the internet, telephone and/or fax for my own convenience.
2. I understand that no binding contract between myself and you will be formed until my application is received by you in Delaware and is approved by your underwriting department, also located in Delaware.
3. I acknowledge that I have received, read, understand, and agree to the Integrity Advance Privacy Policy.
4. I understand that the Loan Agreement and any subsequent agreements between myself and you are subject to Delaware law, that I agree to be bound by such law, and acknowledge that, in the event of a bona fide dispute between myself and you, that Delaware law shall exclusively apply to such disputes, regardless of where any proceedings are held.
5. I understand that submitting false information to induce you to grant me a loan (i.e., a false social security number, false identification, altered bank statements, etc.) constitutes fraud and may subject me to criminal penalties. I further acknowledge that you have disclosed your policy that you will report such instances of fraud to the appropriate law enforcement agencies.
6. I understand if I prefer to pay all or part of the loan amount, I can call you at (800) 505-6073 at least three (3) business days before my payment is due.
7. I understand and accept if I default on my loan and I do not cooperate with you on repaying my debt, including the original loan amount and all fees that may apply, you may submit my name to a collection agency and report the incident to a consumer reporting agency database, such as Teletrack and/or CL Verify, which may negatively impact my ability to write checks and to receive loans or advances

from other companies.

8. I understand and accept if my account is turned over to a third party collection agency and they are unable to collect the amount owed you, the collection agency will then pursue every action granted to them under the law, including but not limited to wage garnishment.

ARBITRATION PROVISION

FORM #3

(Integrity Advance, LLC) Loan #: 54148642

Borrower's Name: [REDACTED] Date: 11/30/2011

Borrower: PLEASE READ AND COMPLETE THE FOLLOWING:

DEFAULT, GOVERNING LAW, ASSIGNMENT AND EXECUTION. You will be in default if you do not pay us the amounts you owe us under the Loan Agreement. The Application, Loan Agreement, and ACH Authorization, will be governed by the laws of the State of Delaware. This Arbitration Provision is governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16 ("FAA"). We may assign or transfer the Loan Agreement or any of our rights hereunder. If the Loan Agreement is consummated, then you agree that the electronically signed Loan Agreement, ACH Authorization, and Arbitration Provision we receive from you will be considered the original executed Loan Agreement, ACH Authorization, and Arbitration Provision, respectively, which are binding and enforceable as to both parties.

WAIVER OF JURY TRIAL AND ARBITRATION PROVISION. Arbitration is a process in which persons with a dispute: (a) waive their rights to file a lawsuit and proceed in court and to have a jury trial to resolve their disputes; and (b) agree, instead, to submit their disputes to a neutral third person (an "arbitrator") for a decision. Each party to the dispute has an opportunity to present some evidence to the arbitrator. Pre-arbitration discovery may be limited. Arbitration proceedings are private and less formal than court trials. The arbitrator will issue a final and binding decision resolving the dispute, which may be enforced as a court judgment. A court rarely overturns an arbitrator's decision. We have a policy of arbitrating all disputes with customers which cannot be resolved in a small claims tribunal, including the scope and validity of this Arbitration Provision and any right you may have to participate in an alleged class action.

THEREFORE, YOU ACKNOWLEDGE AND AGREE AS FOLLOWS:

1. For purposes of this Waiver of Jury Trial and Arbitration Provision, the words "dispute" and "disputes" are given the broadest possible meaning and include, without limitation (a) all claims, disputes, or controversies arising from or relating directly or indirectly to the signing of this Arbitration Provision, the validity and scope of this Arbitration Provision and any claim or attempt to set aside this Arbitration Provision; (b) all federal or state law claims, disputes or controversies, arising from or relating directly or indirectly to the Loan Agreement, the information you gave us before entering into the Loan Agreement, including the customer information application, and/or any past agreement or agreements between you and us; (c) all counterclaims, cross-claims and third-party claims; (d) all common law claims, based upon contract, tort, fraud, or other intentional torts; (e) all claims based upon a violation of any state or federal constitution, statute or regulation; (f) all claims asserted by us against you, including claims for money damages to collect any sum we claim you owe us; (g) all claims asserted by you individually against us and/or any of our employees, agents, directors, officers, shareholders, governors, managers, members, parent company or affiliated entities (hereinafter collectively referred to as "related third parties"), including claims for money damages and/or equitable or injunctive relief; (h) all claims asserted on your behalf by another person; (i) all claims asserted by you as a private attorney general, as a representative and member of a class of persons, or in any other representative capacity, against us and/or related third parties (hereinafter referred to as "Representative Claims"); and/or (j) all claims arising from or relating directly or indirectly to the disclosure by us or related third parties of any non-public personal information about you.

2. You acknowledge and agree that by entering into this Arbitration Provision:

(a) YOU ARE GIVING UP YOUR RIGHT TO HAVE A TRIAL BY JURY TO RESOLVE ANY DISPUTE ALLEGED AGAINST US OR RELATED THIRD PARTIES;

(b) YOU ARE GIVING UP YOUR RIGHT TO HAVE A COURT, OTHER THAN A SMALL CLAIMS TRIBUNAL, RESOLVE ANY DISPUTE ALLEGED AGAINST US OR RELATED THIRD PARTIES; and

(c) YOU ARE GIVING UP YOUR RIGHT TO SERVE AS A REPRESENTATIVE, AS A PRIVATE ATTORNEY GENERAL, OR IN ANY OTHER REPRESENTATIVE CAPACITY, AND/OR TO PARTICIPATE AS A MEMBER OF A CLASS OF CLAIMANTS, IN ANY LAWSUIT FILED AGAINST US AND/OR RELATED THIRD PARTIES.

3. Except as provided in Paragraph 6 below, all disputes including any Representative Claims against us and/or related third parties shall be resolved by binding arbitration only on an individual basis with you. **THEREFORE, THE ARBITRATOR SHALL NOT CONDUCT CLASS ARBITRATION; THAT IS, THE ARBITRATOR SHALL NOT ALLOW YOU TO SERVE AS A REPRESENTATIVE, AS A PRIVATE ATTORNEY GENERAL, OR IN ANY OTHER REPRESENTATIVE CAPACITY FOR OTHERS IN THE ARBITRATION.**

4. Any party to a dispute, including related third parties, may send the other party written notice by certified mail return receipt requested of their intent to arbitrate and setting forth the subject of the dispute along with the relief requested, even if a lawsuit has been filed. Regardless of who demands arbitration, you shall have the right to select any of the following arbitration organizations to administer the arbitration: the American Arbitration Association (1-800-778-7879) <http://www.adr.org> or JAMS (1-800-352-5267) <http://www.jamsadr.com>. The parties may also agree to select an arbitrator who resides within your federal judicial district who is an attorney, retired judge, or arbitrator registered and in good standing with an arbitration association, and arbitrate in accordance with such arbitrator's rules. The party receiving notice of arbitration will respond in writing by certified mail return receipt requested within twenty (20) days. If you demand arbitration, you must inform us in your demand of the arbitration organization you have selected or whether you desire to select a local arbitrator. If related third parties or we demand arbitration, you must notify us within twenty (20) days in writing by certified mail return receipt requested of your decision to select an arbitration organization. If you fail to notify us, then we have the right to select an arbitration organization. The parties to such dispute will be governed by the rules and procedures of such arbitration organization applicable to consumer disputes, to the extent those rules and procedures do not contradict the express terms of this Arbitration Provision, including the limitations on the arbitrator below. You may obtain a copy of the rules and procedures by contacting the arbitration organization listed above.

5. Regardless of who demands arbitration, at your request we will pay, or reimburse you for, your portion of the arbitration expenses, including the filing, administrative, hearing and arbitrator's fees ("Arbitration Fees"). Throughout the arbitration, each party shall bear his or her own attorneys' fees and expenses, such as witness and expert witness fees. The arbitrator shall apply applicable substantive law consistent with the FAA, and applicable statutes of limitation, and shall honor claims of privilege recognized at law. The arbitration hearing will be conducted in the county of your residence. The arbitrator may decide, with or without a hearing, any motion that is substantially similar to a motion to dismiss for failure to state a claim or a motion for summary judgment. In conducting the arbitration proceeding, the arbitrator shall not apply any federal or state rules of civil procedure or evidence. If allowed by statute or applicable law, the arbitrator may award statutory damages and/or reasonable attorneys' fees and expenses. At the timely request of any party, the arbitrator shall provide a written explanation for the award. The arbitrator's award may be filed with any court having jurisdiction. If, after finding in your favor in any respect on the merits of your claim, the arbitrator issues you an award that is greater than the value of our last written settlement offer made before an arbitrator was selected, then we will: (i) pay you the amount of the award or \$7,500 ("the alternative payment"), whichever is greater; and (ii) pay your attorney the amount of attorneys' fees, and reimburse any expenses (including expert witness fees and costs) that your attorney reasonably incurs for investigating, preparing, and pursuing your claim in arbitration ("the attorney fees"). If we did not make a written offer to settle the dispute before an arbitrator was selected, you and your attorney will be entitled to receive the alternative payment and the attorney fees, respectively, if the arbitrator awards you any relief on the merits. The arbitrator may make rulings and resolve disputes as to the payment and reimbursement of fees, expenses, and the alternative payment and the attorney fees at any time during the proceeding and upon request from either party made within 14 days of the arbitrator's ruling on the merits. The right to attorneys' fees and expenses discussed in the preceding sentences supplements any right to attorneys' fees and expenses you may have under applicable law. Thus, if you would be entitled to a larger amount under the applicable law, this provision does not preclude the arbitrator from awarding you that amount. However, you may not recover duplicative awards of attorneys' fees or costs. Although under some laws we may have a right to an award of attorneys' fees and expenses if we prevail, we agree that we will not seek such an award.

6. All parties, including related third parties, shall retain the right to seek adjudication in a small claims tribunal in the county of your residence for disputes within the scope of such tribunal's jurisdiction. Any dispute, which cannot be adjudicated within the jurisdiction of a small claims tribunal, shall be resolved by binding arbitration. Any appeal of a judgment from a small claims tribunal shall be resolved by binding arbitration.

7. This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA. If a final non-appealable judgment of a court having jurisdiction over this transaction finds, for any reason, that the FAA does not apply to this transaction, then our agreement to arbitrate shall be governed by the arbitration law of the State of Delaware.

8. This Arbitration Provision is binding upon and benefits you, your respective heirs, successors and assigns. This Arbitration Provision is binding upon and benefits us, our successors and assigns, and related third parties. This Arbitration Provision continues in full force and effect, even if your obligations have been paid or discharged through bankruptcy. This Arbitration Provision survives any cancellation, termination, amendment, expiration or performance of any transaction between you and us and continues in full force and effect unless you and we otherwise agree in writing. If any of this Arbitration Provision is held invalid, the remainder shall remain in effect.

9. **OPT-OUT PROCESS.** You may choose to opt out of the Arbitration Provision, but only by following the process set forth below. If you do not wish to be subject to this Arbitration Provision, then you must notify us in writing within sixty (60) calendar days of the date of this Arbitration Provision at the following address: Integrity Advance, 300 Creek View Road, Suite 102, Newark, DE 19711. Your written notice must include your name, address, account number or social security number, the date of this Arbitration Provision, and a statement that you wish to opt out of this Arbitration Provision. If you choose to opt out, then your choice will apply only to the Application, Loan Agreement, ACH Authorization, and Arbitration Provisions submitted by you in this transaction.

By entering your name and clicking the "I Agree" button below, you are electronically signing and agreeing to all the terms of the Loan Agreement, the Arbitration Provision, and the ACH Authorization (the Loan Documents) and providing or confirming your electronic signature on all of the Loan Documents, and you are expressly consenting to receive SMS messages from us. You agree that your electronic signature has the full force and effect of your physical signature and that it binds you to the Loan Documents in the same manner a physical signature would do so. By electronically signing below, you also acknowledge that all of the Loan Documents were filled in before you did so and you have read, understand, and agree to all of the terms of the Loan Documents, including the provision entitled "WAIVER OF JURY TRIAL AND ARBITRATION PROVISION" and the Privacy Policy and Covered Borrower Identification Statement. You agree that your right to file suit against us for any claim or dispute regarding the Loan Documents or your relationship with us is limited by the WAIVER OF JURY TRIAL AND ARBITRATION PROVISION. You also agree that all information you provided to us prior to or during the completion of the Loan Documents is complete and accurate. You represent that you are not a debtor under any proceeding in bankruptcy and have no intention to file a petition for relief under any chapter of the United States Bankruptcy Code.

Printed Name: [REDACTED]

Signature: (X) [REDACTED] Date: 11/30/2011

Exhibit 6

1 CONSUMER FINANCIAL PROTECTION BUREAU

2

3 In the matter of:)
4 Integrity Advance,)
5 a corporation.)

6

7 CONFIDENTIAL COMMERCIAL INFORMATION AND
8 PROTECTED FROM DISCLOSURE UNDER EXEMPTION 4 OF
9 THE FREEDOM OF INFORMATION ACT

10

11 Tuesday, June 24, 2014

12

13 Consumer Financial Protection Bureau
14 1750 Pennsylvania Avenue, N.W.
15 Washington, D.C.

16

17

18 The investigational hearing testimony of
19 EDWARD NICHOLAS FOSTER commenced, pursuant to
20 notice, at 9:31 a.m.

21

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23

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IH-000275

Foster

Integrity Advance

6/24/2014

1 A P P E A R A N C E S

2

3 ON BEHALF OF THE CONSUMER FINANCIAL PROTECTION

4 BUREAU:

5 ALUSHEYI WHEELER, ATTORNEY AT LAW

6 WENDY WEINBERG, ATTORNEY AT LAW

7 1700 G Street, N.W.

8 Washington, D.C. 20552

9 202.435.7000

10

11 ON BEHALF OF THE WITNESS:

12 ALLYSON BAKER, ATTORNEY AT LAW

13 VENABLE LLP

14 575 7th Street, N.W.

15 Washington, D.C. 20004

16 202.344.4000

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For The Record, Inc.
(301) 870-8025 - www.ftrinc.net - (800) 921-5555

IH-000276

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Integrity Advance

6/24/2014

1 C O N T E N T S

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3 EDWARD NICHOLAS FOSTER EXAMINATION

4 BY MR. WHEELER 5

5 BY MS. WEINBERG 93

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Integrity Advance

6/24/2014

1 E X H I B I T S

2

3 EXHIBIT NO:

PAGE NO:

4 1 Reporting Structure 24

5 2 Disaggregated Tax Return 29

6 3 Disaggregated Tax Return 31

7 4 Consolidated Balance Sheet 34

8 5 Document 48

9 6 Letter 69

10 7 Letter 88

11 8 Document 71

12 9 Document 74

13 10 Contract 82

14 11 Document 96

15 12 Document 103

16 13 Loan Agreement 159

17 14 Call Notes 180

18

19 ** Exhibits retained by counsel.

20

21

22

23

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6/24/2014

1 P R O C E E D I N G S

2 Whereupon--

3

4 EDWARD NICHOLAS FOSTER

5 a witness, called for examination, having been
6 first duly sworn, was examined and testified as
7 follows:

8 EXAMINATION BY COUNSEL FOR CFPB

9 BY MR. WHEELER:

10 Q. Good morning.

11 A. Good morning.

12 Q. My name is Alusheyi Wheeler and
13 I'm an attorney with the Consumer Financial
14 Protection Bureau. Today I, along with my
15 colleague, Wendy Weinberg, will be conducting an
16 investigational hearing. And as your counsel
17 probably explained to you, that will consist of
18 I and Wendy asking you questions you providing
19 questions under oath. The process is similar to
20 a deposition if you've ever had your deposition
21 taken.

22 A couple of ground rules we should
23 start off with. As you can see, the hearing is
24 being transcribed by a court reporter. So we
25 have to make every effort not to speak over each

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Integrity Advance

6/24/2014

1 other because she can't record two voices at the
2 same time. Also, please try to remember to give
3 oral responses rather than head nods because,
4 again, she can't record a head nod. If I ask a
5 question and you answer the question, I'll
6 assume you understood my question. If at any
7 time you don't understand my question, please
8 ask me to clarify and I will do so or I will
9 rephrase.

10 A. I will.

11 Q. And we will take breaks throughout
12 the day. If at any point you need a break just
13 let one of us know. The only thing I would ask
14 is if a question pending you would answer that
15 question before we take our break.

16 A. Sure.

17 MS. BAKER: Can I make just a few
18 just general statements on the record. We would
19 like this transcript to be designated
20 confidential commercial information and
21 protected from disclosure under exemption 4 of
22 the Freedom of Information Act. We would also
23 like the opportunity to read and sign the
24 transcript. And finally, I would like to make a
25 note for the record that, you know, Mr. Foster

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1 is an attorney and in his capacity he was
2 general counsel of the company for its duration.
3 And so, you know, we have provided him here
4 today because we believe that, you know, in the
5 interest of full disclosure you should have an
6 opportunity to examine him, but I would like to
7 note that for the record there will be instances
8 I suspect during the course of your examining
9 him, both of you, when you will ask questions
10 that implicate communications that are protected
11 from disclosure by the attorney-client
12 privilege. And so I will instruct him
13 accordingly on the record. I just want the
14 record to note that he is, in fact, an attorney
15 and a lot of the work he did for the company, in
16 fact the bulk of the work he did for the company
17 is in that capacity as general counsel. So
18 having said that, we present him here today at
19 your request.

20 MR. WHEELER: Okay. Thank you.

21 BY MR. WHEELER:

22 Q. Would you please state your full
23 name?

24 A. Edward Nicholas Foster.

25 Q. Mr. Foster, are you taking any

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1 medication today that will prevent you from
2 testifying fully and accurately?

3 A. No.

4 Q. Have you failed to take any
5 medication you are required in order to testify
6 fully and accurately?

7 A. No.

8 Q. Where do you reside?

9 A. I reside in Kansas City, Missouri.

10 Q. What's your address?

11 A. 1204 West 66th Terrace, Kansas
12 City, Missouri 64113.

13 Q. Could you please describe your
14 educational background after high school?

15 A. Yes. Do you want the years or?

16 Q. Yes.

17 A. Sure. From 1985 through 1989 I
18 attended Tufts University in Medford,
19 Massachusetts. Graduated with a Bachelor of
20 arts, major in economics. From there I went to
21 Washington University in St. Louis, Missouri
22 where I received my joint juris doctorate and
23 Master of business administration.

24 Q. Anything else?

25 A. No.

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1 Q. Do you currently practice law?

2 A. Yes. I'm currently unemployed, so
3 the answer would be no.

4 Q. What was the last job you held?

5 A. I was the interim chief executive
6 officer of a U.K. based subsidiary of EZCORP,
7 Inc. called Ariste Holding trading as Cash
8 Genie.

9 Q. Are you a member of a bar?

10 A. Yes.

11 Q. Which bar or bars are you a member
12 of?

13 A. Both Missouri and Kansas.

14 Q. And you said you're currently
15 unemployed; correct?

16 A. Correct.

17 Q. I want to talk about Integrity
18 Advance for a while and your role at the
19 company?

20 A. Sure.

21 Q. What was Integrity Advance?

22 A. Integrity Advance was a Delaware
23 limited liability company formed to provide
24 consumer loans on-line.

25 Q. And you worked at the company?

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1 A. Correct.

2 Q. When did you start working for
3 Integrity Advance?

4 A. I would have started serving as an
5 officer of Integrity Advance when it was formed,
6 it would have been either in 2007 or 2008 when
7 it was technically formed in Delaware. Sorry,
8 let me rephrase that. I'm getting my years
9 confused.

10 2009, I believe is when it was
11 formed. Clearly since inception of the company.

12 Q. Could you explain to me how you
13 came to be involved with the company?

14 A. Sure. I had been working for some
15 of the sister companies of Integrity Advance,
16 when I say sister companies, they had some
17 common ownership and as part of that I was
18 offered a role with Integrity Advance, as well,
19 and I accepted that role.

20 Q. Which sister companies were you
21 working for?

22 A. A company called ZipCash and a
23 predecessor called Net Cash USA.

24 Q. Was Net Cash USA a part of
25 Hayfield Investment Partners?

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1 A. No.

2 Q. Was it a stand-alone company?

3 A. At one point, yes.

4 Q. Did it ever become part of
5 Hayfield Investment Partners?

6 A. I would say indirectly in that Net
7 Cash was merged with and into ZipCash prior to
8 the formation of Integrity or Hayfield.

9 Q. What was the business of Net Cash?

10 A. Net Cash was also an on-line based
11 consumer loan company.

12 Q. How did you come to work for Net
13 Cash?

14 A. Being hired originally from -- by
15 ZipCash and then Net Cash being an affiliate, as
16 well, with some common ownership, I served as
17 general counsel for both of those companies.

18 Q. Who -- what individual hired you?

19 A. The president of both of those
20 companies was James Carnes and he, as his
21 capacity as president hired me.

22 Q. How did you meet Mr. Carnes?

23 A. I have known Mr. Carnes since 1993
24 as a friend, first.

25 Q. And you said you were hired to be

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1 the general counsel of ZipCash?

2 A. Correct.

3 Q. And for a time your duties
4 involved Net Cash, as well?

5 A. Correct.

6 Q. When were you hired by Net Cash --
7 excuse me. When were you hired by ZipCash?

8 A. I was hired by ZipCash in June of
9 2006.

10 Q. So I think originally my question
11 had been how did you become involved with
12 Integrity Advance and then we started talking
13 about ZipCash and Net Cash. I guess I'm
14 wondering what did Mr. Carnes say to you, if
15 anything, about joining Integrity Advance?

16 MS. BAKER: When you ask that
17 question you mean about what did he say in
18 connection with asking him to join Integrity
19 Advance?

20 MR. WHEELER: Yes.

21 MS. BAKER: Okay.

22 THE WITNESS: I don't recall
23 specific conversations about, you know,
24 Integrity Advance. It came about in conjunction
25 with an investment by a private equity group in

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1 the so-called businesses and post that
2 investment a new corporate structure came about
3 and I was offered to be part of that corporate
4 structure.

5 BY MR. WHEELER:

6 Q. Was Stevens the private equity
7 group you're referring to?

8 A. Warren Stevens is an individual
9 associated with -- with the private equity fund.
10 That's correct.

11 Q. Why were you interested in working
12 on the Integrity Advance business?

13 A. The businesses such as ZipCash and
14 Net Cash had shown successful business
15 operations and with the investment from the
16 Stevens Group, I would call that the Stevens
17 Private Equity Group, it seemed like a good
18 opportunity.

19 Q. What made Integrity Advance
20 different than ZipCash?

21 A. There are a lot of things. It's a
22 very open question as far as a lot of things.
23 Can you clarify as far as?

24 Q. How was the business model
25 different?

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1 A. The business model of Integrity
2 Advance was -- I would say very similar to
3 ZipCash and Net Cash as far as obtaining
4 customers and lending through a short-term
5 consumer loan product. ZipCash and Net Cash
6 were licensed in different states, where
7 Integrity Advance was licensed by the State of
8 Delaware.

9 Q. When you say ZipCash and Net Cash
10 were licensed in different states, do you mean
11 they were licensed in several states?

12 A. No.

13 Q. Okay.

14 A. Different than Integrity Advance.

15 Q. I'm sorry. I don't understand.
16 Where was ZipCash registered?

17 A. ZipCash was a Delaware based LLC,
18 meaning formed under Delaware law, qualified to
19 do business in New Mexico and licensed under the
20 New Mexico lending statutes.

21 Q. And Integrity Advance was licensed
22 only in Delaware; is that correct?

23 A. That's correct.

24 Q. Did Mr. Carnes ever say anything
25 to you about wanting to sell Integrity Advance

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1 one day?

2 A. Yes.

3 Q. What did he say?

4 MS. BAKER: Let me just counsel
5 you about something. To the extent those
6 conversations were had in your capacity as
7 general counsel for the company and you were
8 providing legal advice or were asked to provide
9 legal advice, you obviously can't disclose that
10 advice, but to the extent you can answer
11 Mr. Wheeler's question you should do so without
12 disclosing communications that are privileged.

13 THE WITNESS: Understood.

14 I would couch our many
15 conversations as an end game or end goal to
16 monetize Integrity Advance, whether that be
17 through going public or selling the company,
18 those discussions definitely occurred from time
19 to time as a business goal.

20 BY MR. WHEELER:

21 Q. When you first started working for
22 Integrity Advance what was your job title?

23 A. Integrity Advance, it would have
24 been executive vice-president, I believe
25 secretary, assistant treasurer and general

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1 counsel.

2 Q. What were your duties in that
3 position?

4 A. As general counsel I oversaw all
5 legal matters for the company, as well as HR
6 matters in general, as well.

7 Q. What about the other aspects, you
8 mentioned executive vice-president, secretary.
9 What were your duties in those realms?

10 A. I would say that those duties were
11 given to me solely for legal purposes because
12 Delaware law requires you to have officers on
13 behalf of the entity and as it would be
14 necessary to execute documents, for instance, a
15 contract, or a bank account, I needed an
16 official officer title and that's what that
17 title would provide me to do.

18 Q. Did anyone report to you in that
19 role?

20 MS. BAKER: In what role?

21 BY MR. WHEELER:

22 Q. In the role he described as
23 general counsel, executive vice-president,
24 secretary?

25 A. During which time period?

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1 Q. At any time did anyone report to
2 you?

3 A. Yes. From I believe early 2011 on
4 is when we hired another lawyer to, I think his
5 title was vice-president of legal affairs, and
6 that person reported to me from early, I
7 believe, 2011 onwards.

8 Q. Let me go back for a second. In
9 this position we've been discussing when you
10 were executive vice-president, secretary, how
11 much of your time did you spend giving the
12 company legal counsel versus how much of your
13 time was spent on business matters?

14 MS. BAKER: At what time?

15 MR. WHEELER: I would say from the
16 time he began.

17 BY MR. WHEELER:

18 Q. You received a promotion at some
19 point; is that correct?

20 A. Correct.

21 Q. To chief operating officer?

22 A. Correct.

23 Q. When was that?

24 A. I believe it was June 2010.

25 Q. So from when you started at the

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1 company until June 2010, can you estimate how
2 much of your work was providing legal counsel to
3 the company and how much was business
4 operations, nonlegal work?

5 A. Sure. It was certainly the vast
6 majority of my time was spent on legal matters,
7 80/90 percent, say, up through June of 2010,
8 just to clarify.

9 Q. During the same timeframe who did
10 you report to?

11 MS. BAKER: The timeframe being?

12 BY MR. WHEELER:

13 Q. From when he started the company
14 until June 2010?

15 A. From the inception of Integrity
16 Advance when I started working for, it through
17 June of 2010 I reported to the president of
18 Integrity Advance, James Carnes.

19 Q. How often did you two talk?

20 MS. BAKER: Again, my caution to
21 you about privilege.

22 BY MR. WHEELER:

23 Q. I'm not asking for any contents,
24 just did you two talk on a daily basis?

25 A. Generally. Yes.

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1 Q. Did you work out of Kansas City?

2 A. My home base during my tenure
3 there was in the Kansas City vicinity, correct.

4 Q. Would you generally be in that
5 office on a daily basis?

6 A. The Kansas City location, correct,
7 on a daily basis.

8 Q. Was Mr. Carnes in that Kansas City
9 location on a daily basis?

10 A. Generally. Yes.

11 Q. Still staying with the same role
12 you were in in your time starting with the
13 company until June 2010, did you receive a
14 salary during that time?

15 A. Yes.

16 Q. What was your salary?

17 A. I believe it was about \$180,000 a
18 year, annual salary.

19 Q. Did it increase over time?

20 A. You're talking again from the
21 inception of Integrity Advance through?

22 Q. Through June 2010?

23 A. Through June 2010. I would be
24 guessing if it did, but it may have.

25 Q. It sounds like you don't remember

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1 any significant changes though?

2 A. That's correct. I don't remember
3 any significant changes to my salary. That's
4 correct.

5 Q. Did you receive any other forms of
6 compensation?

7 A. Yes.

8 Q. What were those?

9 A. As part of my package to join
10 Integrity Advance -- let me rephrase that.

11 As part of my package to serve as
12 general counsel, as well as an officer to
13 Integrity Advance, and some of the other
14 Hayfield subsidiaries, I was granted equity or
15 ownership interest in the parent company,
16 Hayfield Investment Partners, LLC.

17 Q. We'll come back to that in a
18 little bit.

19 Any other forms of compensation
20 you received from Integrity Advance?

21 MS. BAKER: At what point in time?

22 MR. WHEELER: Still in the same
23 time period.

24 MS. BAKER: Up until June 2010?

25 MR. WHEELER: Yes.

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1 BY MR. WHEELER:

2 Q. Any bonuses, commissions?

3 A. I recall receiving some holiday
4 bonus, maybe a couple other bonuses during that
5 time period.

6 Q. Was any of your compensation
7 incentive based at this time?

8 A. No. Let me rephrase. No, to the
9 extent you call equity incentive the ownership
10 incentive based.

11 Q. And you testified that you were
12 promoted in June 2010; correct?

13 A. That's my recollection of the
14 date. Correct.

15 Q. And that new position was chief
16 operating officer?

17 A. The technical title, I was still
18 executive vice-president, secretary and
19 assistant treasurer, general counsel, and also
20 chief operating officer.

21 Q. How did your duties change, if at
22 all, after the promotion?

23 A. Starting in June or July of 2010,
24 if you looked at it from a corporate
25 organizational chart or HR organizational chart,

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1 everyone directly or indirectly that was
2 involved with the company as an employee
3 reported to me directly and then -- directly or
4 indirectly and then I reported directly to the
5 president and CEO, Mr. Carnes.

6 Q. In this new role were you
7 responsible for Integrity Advance's policies and
8 procedures?

9 A. I wouldn't say I was solely
10 responsible, but I was a key senior individual
11 involved with those policies and procedures.

12 Q. Were you a key individual when
13 deciding the company's underwriting policies?

14 A. I would say that I was definitely
15 involved with those discussions, strategies,
16 decisions, but not the main decisionmaker.

17 Q. Who was the main decisionmaker?

18 A. The president, Mr. Carnes.

19 Q. Your time as COO you indicated you
20 still reported to Mr. Carnes; correct?

21 A. That's correct.

22 Q. How often did you two speak?

23 A. During that time, daily --
24 generally daily.

25 Q. And you were still working out of

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1 the Kansas City office at that time?

2 A. Kansas City vicinity. We did
3 relocate within the vicinity two or three times,
4 I can't remember, but generally the greater
5 Kansas City area, correct.

6 Q. Okay. And was Mr. Carnes still
7 working wherever your office was in the Kansas
8 City metro area at this time?

9 A. Generally, yes.

10 Q. In your role as COO can you
11 estimate how much of your time was providing
12 legal counsel with the company, how much of your
13 time was spent on business matters?

14 A. I will try. Without a doubt,
15 still more than 50 percent of my time was legal
16 based advice and counsel to the company,
17 including Mr. Carnes and others. It's an
18 estimate, but say 60 to 70 percent of my time
19 was still pure legal advice and counsel.

20 Q. Did you receive a salary as the
21 COO of Integrity Advance?

22 A. I received a salary that included
23 all of my roles, not specifically for the COO.
24 Yes.

25 Q. What was your salary?

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1 A. I believe my base was \$200,000.

2 Q. Did that increase over time?

3 A. In that -- no. It did not.

4 Q. Do you recall receiving any other
5 forms of compensation?

6 MS. BAKER: During what time?
7 Same time?

8 MR. WHEELER: Same time.

9 THE WITNESS: During that time,
10 yes.

11 BY MR. WHEELER:

12 Q. What were those other forms of
13 compensation?

14 A. Again, some holiday bonuses I
15 recall. Perhaps a couple other small bonuses if
16 there was a big project completed or something.
17 Nothing significant. And then we received from
18 time to time distributions of -- from Hayfield
19 when they were paid to all owners of the
20 company.

21 (Exhibit Number 1 was marked for
22 identification.)

23 BY MR. WHEELER:

24 Q. Mr. Foster, I'm showing you what's
25 been marked as Exhibit 1. Do you recognize it?

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1 A. I have seen this document in
2 conjunction with preparation for this hearing
3 today.

4 Q. What is Exhibit 1?

5 A. I would describe this as an
6 accurate depiction of the reporting structure of
7 Integrity Advance sometime after June of 2010
8 when I became COO, as well.

9 Q. And this suggests that everyone
10 below you reported directly or indirectly to
11 you; is that accurate?

12 A. That is accurate.

13 Q. Did everyone who appears here work
14 out of the Kansas City, Kansas city metro
15 office?

16 MS. BAKER: Kansas City metro
17 office is one office; right?

18 MR. WHEELER: Yes. It's one
19 office. He represented that it moved.

20 THE WITNESS: Everyone other than
21 George Davis listed on this chart spent the vast
22 majority of their time working out of the Kansas
23 City metro office.

24 BY MR. WHEELER:

25 Q. What was George Davis' role at the

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1 company?

2 A. George Davis was the -- and I'm
3 drawing a blank as to what exactly the title
4 under the Delaware statute for licensing is, but
5 he was the so-called office manager out of our
6 Delaware location where we were licensed --
7 sorry, where Integrity Advance was licensed.

8 Q. Did you ever have occasion to
9 visit the Delaware office?

10 A. The Delaware office for Integrity
11 Advance, yes, many times.

12 Q. How often would you say over the
13 course of a year?

14 MS. BAKER: Any particular time
15 period?

16 BY MR. WHEELER:

17 Q. When you were COO, among other
18 roles?

19 A. Probably three to four times a
20 year, depending on the year and what was going
21 on.

22 Q. Mr. Picket is the lawyer you
23 mentioned earlier in your testimony that had
24 been hired?

25 A. Christopher Picket is who I was

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1 referring to when I mentioned that post my
2 promotion to COO that Integrity Advance hired
3 another legal person to support me, that's
4 correct.

5 Q. You testified that you were
6 granted a share of Hayfield Investment Partners?

7 A. Correct.

8 Q. What was your share?

9 A. The number of membership interests
10 or units that I received increased over time.

11 Q. Can you explain how that happened?

12 A. Yes. Yes. When Hayfield
13 Investment Partners was formed and during my
14 many discussions with Mr. Carnes about my role
15 at Hayfield and its companies and what my
16 compensation would be, Mr. Carnes and I agreed
17 on a schedule of membership units that I would
18 receive, some originally upon inception of
19 Hayfield Investment Partners and additional ones
20 as time went on, when those dates hit I would be
21 granted additional membership units.

22 Q. When you were initially granted
23 membership units what percentage of Hayfield
24 Investment Partners were you granted?

25 A. It was either -- it was around

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1 1 percent, perhaps 1.5 percent a combination of
2 Class B and Class C units. They were in
3 priority than the Class A units.

4 Q. What was the highest amount of
5 Hayfield that you owned, the highest percentage
6 of Hayfield that you ever owned?

7 A. From an overall ownership basis
8 about 3.3 percent, which exists today.

9 Q. You testified earlier as part
10 owner of Hayfield you were given certain
11 compensation as a result?

12 A. Hayfield did make profits from
13 time to time and the company elected to, not for
14 my decision, but the company as a whole made a
15 decision to make distributions and in accordance
16 with the operating agreement my recollection is
17 that distributions were distributed according to
18 each member's ownership percentage.

19 Q. How often did you receive
20 distributions?

21 A. It varied throughout the course of
22 Hayfield?

23 Q. What would have been the average
24 number during your time at Hayfield? More than
25 five?

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1 A. In a calendar year?

2 Q. Yes.

3 MS. BAKER: You mean the number of
4 distributions?

5 MR. WHEELER: Uh-huh.

6 MS. BAKER: At any given year?

7 MR. WHEELER: Yes.

8 THE WITNESS: That would be a good
9 estimation. For Hayfield's first short year it
10 actually operated at a loss, so there would be
11 no distributions then.

12 BY MR. WHEELER:

13 Q. What year would that have been?

14 A. The short year -- partial year of
15 2008.

16 Q. Do you remember how much you
17 received in distributions in calendar 2011?

18 A. I don't remember exactly what I
19 received.

20 MS. BAKER: Is this Exhibit 2?

21 MR. WHEELER: Yes.

22 (Exhibit Number 2 was marked for
23 identification.)

24 MS. BAKER: What is this document?

25 MR. WHEELER: This is an excerpt

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1 of a document. It is not a complete document.

2 The first page is INTEG 000313. The second page
3 is not sequential, it is INTEG 000328.

4 MS. BAKER: The record should
5 reflect this is a disaggregated tax return, not
6 a complete document.

7 MR. WHEELER: Correct.

8 BY MR. WHEELER:

9 Q. Mr. Foster, if you would turn to
10 the second page that ends in Bates 328.

11 A. I'm there.

12 Q. What's the partnership name in box
13 B?

14 A. Hayfield Investment Partners, LLC.

15 MS. BAKER: Have you had a chance
16 to look at this document before they ask
17 questions about it?

18 I would also like the record to
19 reflect the document appears to have yellow
20 highlights, which presumably were not highlights
21 provided at the time of production, but rather
22 highlights that have been added as part of
23 CFPB's annotation; is that right?

24 MR. WHEELER: That's right.

25 BY MR. WHEELER:

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1 Q. Have you had a chance to review
2 the document now?

3 A. Yes.

4 Q. What name appears in box F?

5 A. Edward Foster.

6 Q. If you would look at Box 19, what
7 number is there?

8 A. 198,529.

9 Q. Does that accurately reflect the
10 distributions you received from Hayfield in
11 2011?

12 A. I have no reason to believe it
13 does not.

14 Q. Do you know how much in
15 distributions you received from Hayfield in
16 2012?

17 A. I do not.

18 (Exhibit Number 3 was marked for
19 identification.)

20 THE REPORTER: Exhibit 3.

21 MS. BAKER: Take a moment and look
22 at this document.

23 The same note, it appears to be,
24 this document appears to be -- is this
25 Exhibit 3?

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1 MR. WHEELER: Yes.

2 MS. BAKER: Bates numbered

3 Integrity 365 and Integrity 408. I don't know
4 if this is the same document, it seems to be an
5 incomplete tax return and annotations from CFPB.

6 BY MR. WHEELER:

7 Q. Have you had a chance to review
8 the document, Mr. Foster?

9 A. Yes.

10 Q. If you would turn to the second
11 page, Bates 408?

12 A. I am there.

13 Q. What is the partnership name that
14 appears in box B?

15 A. Hayfield Investment Partners, LLC.

16 Q. What name appears in box F?

17 A. Edward Foster.

18 Q. What is the number listed in
19 box 19?

20 A. 114,433.

21 Q. Does this accurately reflect the
22 distributions you received from Hayfield in
23 2012?

24 A. I don't know, but I have no reason
25 to believe it does not.

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1 Q. Did Hayfield ever take on any
2 debt?

3 A. Yes.

4 Q. Can you describe that?

5 A. Yes. In connection with the
6 formation of Hayfield Investment Partners, LLC
7 the company gave a note payable to James R.
8 Carnes, over time.

9 Q. Why did the company do that?

10 MS. BAKER: Let me caution you to
11 the extent you can answer that question without
12 disclosing any kind of attorney-client
13 communication or advice you would have received
14 or provided you may do so. If you cannot then
15 you can't answer the question.

16 THE WITNESS: It was not my
17 decision. I don't know why the company did
18 that.

19 BY MR. WHEELER:

20 Q. What was the amount?

21 A. I don't recall.

22 Q. Was the note ever paid off?

23 A. I believe it was paid off.

24 Q. Do you know when?

25 A. I do not know when.

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1 Q. Does the note we've been
2 discussing reflect Mr. Carnes loaning Hayfield
3 money?

4 A. No. It does not.
5 (Exhibit Number 4 was marked for
6 identification.)

7 THE WITNESS: I would like to
8 amend my answer. The question about does it
9 reflect Mr. Carnes loaning money to the company.

10 My recollection is it did not
11 entail Mr. Carnes loaning as we would typically
12 see cash or money to the company. It was
13 provided to Mr. Carnes in connection with the
14 formation of Hayfield and Stevens investment
15 into the company.

16 BY MR. WHEELER:

17 Q. Have you had a chance to review
18 Exhibit 4?

19 MS. BAKER: Is this Exhibit 4,
20 what's been Bates numbered as Integrity 214?

21 MR. WHEELER: I believe so.

22 MS. BAKER: Okay.

23 THE WITNESS: Give me just a
24 second, please. I've given it a cursory review.
25 Yes.

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1 BY MR. WHEELER:

2 Q. If you look maybe three-quarters
3 of the way down, do you see the line that says
4 long-term liabilities?

5 A. Yes.

6 Q. And I should have stated at the
7 outset. The title of this document is Hayfield
8 Investment Partners, LLC Consolidated Balance
9 Sheet As of September 30, 2010. Did I read that
10 correctly?

11 A. You did.

12 Q. Did you prepare this document?

13 A. I did not.

14 Q. Do you recall seeing it before?

15 A. I have seen this document in
16 conjunction with my preparation of this
17 deposition.

18 Q. So going three-quarters of the way
19 down where it says long-term liabilities, do you
20 see that line?

21 A. I do.

22 Q. You see loan payable it looks like
23 \$10 million is the number?

24 A. Yes.

25 Q. Does that reflect the note to

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1 Mr. Carnes that we've been discussing?

2 A. It does not.

3 Q. What does that reflect?

4 A. That -- I'm not an accountant,
5 but --

6 MS. BAKER: If you can answer the
7 question without speculating. You just
8 testified you didn't prepare the document, so.

9 THE WITNESS: I feel confident
10 though that that is the note payable to a
11 third-party private equity fund that lent money
12 to Integrity Advance, LLC.

13 BY MR. WHEELER:

14 Q. Who would that be?

15 A. They changed their name several
16 times, but Platinum Funding, something along
17 those lines.

18 Q. Was Centurion ever one of their
19 names?

20 A. Yes.

21 Q. The next line down says note
22 payable \$750,000. Do you see that?

23 A. I do.

24 Q. Do you know what that reflects?

25 A. I do not.

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1 Q. Is there any other Hayfield debt
2 that you're aware of that we have not discussed?

3 A. As of when?

4 Q. At any time?

5 A. Other than the items we already
6 discussed about Hayfield's debt, I'm not aware
7 of any other significant debt during its
8 inception through today that is not reflected.

9 MR. WHEELER: Let's go off the
10 record. Take a short break.

11 MS. BAKER: It's 10:20. We went
12 on the record at 9:30; is that right?

13 MR. WHEELER: Yeah.

14 (A brief recess was taken.)

15 BY MR. WHEELER:

16 Q. Mr. Foster, before the break we
17 were talking about some of the debt that
18 Hayfield owed?

19 A. Yes.

20 Q. You testified that Hayfield owed
21 debt to Mr. Carnes?

22 A. Correct.

23 Q. What was the amount of that debt?

24 A. I really don't recall the exact
25 amount of that debt.

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1 Q. And did you say you believe it was
2 paid off by Hayfield?

3 A. Yes.

4 Q. But you also indicated Mr. Carnes
5 didn't loan money to the company, didn't give
6 money to the company in the traditional sense?

7 A. Correct.

8 Q. I'm struggling to understand how
9 this arrangement worked. Can you explain it to
10 me?

11 A. I'll do my best. Yes.

12 It was part of a complex financial
13 structure in the formation -- during the
14 formation of Hayfield and the private equity
15 investment in Hayfield in return for Mr. Carnes'
16 contribution of assets into Hayfield Investment
17 Partners.

18 Q. The money that Hayfield received,
19 did that come from Stevens?

20 A. The cash that was received by
21 Hayfield came from Stevens, correct.

22 Q. But payable to Mr. Carnes?

23 A. No.

24 Q. Payable to who then?

25 A. The money -- my recollection is

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1 the money that came into Hayfield was used to
2 purchase ownership interest and assets of
3 several companies.

4 Q. Would those companies have been
5 Hayfield sister companies?

6 A. No. Hayfield came into existence
7 in connection with that transaction.

8 Q. So what companies was the money
9 used to purchase?

10 A. Sure. ZipCash companies, Blue
11 Ocean. I -- Integrity Advance may have existed
12 right before that. That's my knowledge of
13 that -- the general structure of that
14 transaction.

15 Q. The debt to Mr. Carnes, do you
16 know if it was paid off in a balloon payment or
17 was it paid off over time?

18 A. My recollection it was paid off
19 over time.

20 Q. Do you have a sense of the
21 timeframe?

22 A. It was certainly more than
23 12 months, maybe more than 24 months.

24 MS. WEINBERG: Was that payment
25 compensation for him arranging the deal?

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1 MS. BAKER: What deal?

2 MS. WEINBERG: The purchase of
3 these other entities that he's just testified
4 to?

5 THE WITNESS: It was not
6 compensation for arranging those deal -- the
7 Hayfield transaction.

8 MS. WEINBERG: So what was the
9 basis of his receiving any sort of payment under
10 that deal?

11 MS. BAKER: Let me just give the
12 same caution. To the extent you can answer the
13 question without disclosing communications that
14 are protected by disclosure of privilege, go
15 ahead and answer Ms. Weinberg's question.

16 THE WITNESS: Yes. Thank you.

17 My recollection of the documents
18 that reflected that transaction, there was money
19 paid to individuals and companies that owned
20 various ownership interest in the companies I
21 previously mentioned, including Mr. Carnes,
22 ZipCash, Blue Ocean, perhaps Integrity Advance,
23 and in return for contributing the ownership
24 interest and certain assets Mr. Carnes received
25 some equity in Hayfield, as well as some debt

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1 from Hayfield.

2 MS. WEINBERG: What was the
3 ballpark amount that he received for that
4 transaction?

5 THE WITNESS: I really don't
6 recall.

7 MS. WEINBERG: Was it more than
8 a million?

9 MS. BAKER: Don't guess.

10 THE WITNESS: I really would be
11 guessing. I really do not recall.

12 MS. WEINBERG: Okay.

13 BY MR. WHEELER:

14 Q. Going back to something else you
15 mentioned earlier in your testimony, you said
16 that ZipCash was registered in New Mexico; is
17 that right?

18 A. ZipCash was a Delaware formed LLC,
19 registered as a foreign LLC transacting business
20 in New Mexico and also held some form of a
21 license with the New Mexico state regulatory
22 body that provided licensing to consumer
23 lenders.

24 Q. Did ZipCash lend to consumers
25 outside of New Mexico?

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1 A. ZipCash provided loans to
2 individuals that both listed a New Mexico
3 address, as well as some states outside of New
4 Mexico.

5 Q. Integrity Advance was licensed in
6 Delaware; correct?

7 A. Integrity Advance was licensed by
8 the Delaware State Bank Commissioner.

9 Q. And had a lending license in
10 Delaware, as well?

11 A. Well, only in Delaware.

12 Q. So I'm wondering why two different
13 states were used? Why was ZipCash in New Mexico
14 and you moved on to Integrity and that used
15 Delaware?

16 MS. BAKER: To the extent you can
17 answer that question without disclosing
18 privileged communications, you can do so.

19 THE WITNESS: I would say what I
20 can answer is that they were different business
21 models.

22 BY MR. WHEELER:

23 Q. The differences being?

24 A. One of them being where they --
25 where an entity would be licensed to -- licensed

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1 with a regulatory authority.

2 Q. Switching gears a little bit, in
3 2012 EZCORP bought Hayfield; is that right?

4 A. Out of respect, that is a
5 simplification of what occurred, but EZCORP
6 purchased assets of Hayfield.

7 Q. There was an asset purchase
8 agreement; is that right?

9 A. That is correct.

10 Q. Do you remember the date of that
11 agreement?

12 A. I believe the agreement, feel
13 pretty comfortable it was dated October/November
14 of 2012. The transaction actually closed I
15 believe December 18, 2012.

16 Q. Were you involved in the
17 negotiations with EZCORP?

18 A. Yes. I was.

19 Q. What was your involvement?

20 A. At that time I was serving as both
21 COO and general counsel the transaction itself,
22 the vast, vast majority of my involvement was in
23 my role as general counsel, especially as it
24 came to negotiating the asset purchase agreement
25 and the drafting and the back and forth and the

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1 due diligence.

2 Q. Do you know why EZCORP was
3 interested in Hayfield?

4 A. I mean, I would be speculating as
5 to why they were interested in Hayfield.

6 Q. Did anyone at EZCORP ever give you
7 an indication of why the company was interested
8 in Hayfield?

9 A. I would say, yes, that they were
10 interested in expanding to an on-line presence
11 of lending because they were successful with
12 storefronts and had not been successful with
13 on-line lending, and that they were interested
14 in acquiring a company or assets that had shown
15 success in doing so.

16 Q. When we're talking about the
17 success Hayfield had had in on-line lending,
18 does that include Integrity Advance?

19 A. I really don't know.

20 Q. Did Integrity Advance come up in
21 the negotiations with EZCORP?

22 A. Integrity Advance's name was
23 certainly mentioned in conjunction with all
24 entities owned and operated by Hayfield, at some
25 point in discussions with EZCORP.

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1 Q. Integrity Advance had an
2 established on-line platform; is that right?

3 MS. BAKER: During what time?

4 BY MR. WHEELER:

5 Q. During the time the agreement was
6 being negotiated, so at some point in 2012.

7 A. Again, I'm -- it's hard to
8 simplify because a platform, the way I look at
9 it, involves many different aspects and it had a
10 successful business. It did not necessarily own
11 all pieces of the platform.

12 Q. Did -- did Hayfield own all pieces
13 of the platform?

14 A. No. It did not. Indirectly
15 through its subsidiaries.

16 Q. Which subsidiaries had part of the
17 platform, the on-line lending platform?

18 MS. BAKER: What specifically are
19 you talking about?

20 MR. WHEELER: I asked about
21 Integrity Advance's on-line platform. He
22 indicated the platform was broad and it went
23 across several entities and that Hayfield
24 indirectly owned all of them. I'm trying to
25 figure out which parts of the platforms were

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1 owned by which companies. Does that make sense?

2 THE WITNESS: I understand what
3 you're asking.

4 I honestly, off the top of my
5 head, couldn't answer that.

6 BY MR. WHEELER:

7 Q. Do you remember Go Cash being
8 discussed during the negotiations?

9 A. Yes.

10 Q. What is Go Cash?

11 A. Go Cash is the brand of
12 subsidiaries of Hayfield Investment Partners.
13 It's a brand used by a Hayfield subsidiary to
14 operate an on-line consumer loan business.

15 Q. Did -- during the negotiations did
16 EZCORP express interest in Go Cash?

17 A. Yes.

18 Q. For Hayfield who had to approve
19 the final deal? Who had to approve the asset
20 purchase agreement?

21 A. I feel pretty confident that the
22 operating agreement required both -- I believe
23 the super majority vote of the members.

24 Q. Did the members have voting shares
25 according to their ownership in Hayfield?

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1 A. No.

2 Q. So how did that process work?

3 A. Of the vote itself?

4 Q. Yes.

5 A. The process was that a super
6 majority of the voting shares were owned
7 directly or indirectly by Mr. Carnes and the
8 Stevens Group.

9 Q. When you say super majority, what
10 percentage was required?

11 MS. BAKER: In what -- in what
12 context?

13 MR. WHEELER: He mentioned a super
14 majority was required, so I'm asking what that
15 meant.

16 THE WITNESS: I'll clarify. It
17 would require a super majority -- this is my
18 recollection of the operating agreement without
19 it in front of me. A super majority of a voting
20 interest to vote on certain matters, which would
21 include a sale of all or substantially all of
22 the assets of Hayfield.

23 BY MR. WHEELER:

24 Q. As a part owner of Hayfield, did
25 you vote, as well?

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1 A. I -- I have both Class B and Class
2 C units. My recollection is Class B units do
3 have the ability to vote on certain matters, but
4 I don't recall whether they had the ability to
5 vote on that type of matter.

6 Q. Would I be correct to say with
7 Mr. Carnes, plus Stevens' approval, that was
8 enough voting super majority to approve the
9 deal?

10 A. Yes. I believe so.

11 Q. Did the asset purchase agreement
12 involve the transfer of stock?

13 MS. BAKER: I will caution you
14 about answering questions about an agreement
15 that you were responsible for negotiating in
16 your capacity as an attorney. If you recall and
17 you can answer that question without disclosing
18 any communications, do so.

19 THE WITNESS: Right. The asset
20 purchase agreement itself is publicly available
21 and I feel confident that it was assets only
22 that were transferred.

23 (Exhibit Number 5 was marked for
24 identification.)

25 THE REPORTER: Exhibit 5.

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1 BY MR. WHEELER:

2 Q. Take your time in reviewing the
3 document. There are no Bates numbers in this
4 document. It has execution version in bold?

5 MS. BAKER: I don't understand.
6 It's an excerpt. What's excerpted here?

7 BY MR. WHEELER:

8 Q. I pulled out a couple pages. The
9 agreement is about 160 pages, I pulled out a
10 couple pages.

11 MS. BAKER: It doesn't look like
12 one complete page. Is that all of page 18? Is
13 that what you pulled out?

14 MR. WHEELER: I do have the whole
15 agreement, but I don't think we will need it.

16 MS. BAKER: I'm not sure what
17 document we're looking at or what these sections
18 are or if this document is what it purports to
19 be.

20 THE WITNESS: I've had a cursory
21 review. Yes.

22 BY MR. WHEELER:

23 Q. If you look at the second page,
24 section 2.5 called consideration. Do you see
25 that?

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1 A. I do see that section.

2 Q. And maybe the fourth line down
3 there's a clause that says shares of purchase or
4 common stock equal to \$27 million?

5 A. I do see that.

6 Q. Do you see that?
7 Did Hayfield receive \$27 million
8 worth of EZCORP's stock?

9 MS. BAKER: Let me caution you
10 about answering questions about this document.
11 First of all, this is not in any way, shape or
12 form any replication of the agreement. It is
13 not even a complete page of the agreement.

14 Number two, you, Mr. Foster, were
15 the attorney responsible for negotiating this
16 agreement and as I understand maybe drafting
17 this agreement. To the extent any involvement
18 you had in that process involved your legal work
19 to Hayfield or to any of the companies at issue,
20 I would instruct you to be cautious about how
21 you answer questions about this contract and
22 also be cautious and not disclose any
23 communications that are privileged or any issues
24 concerning or surrounding this document that
25 could be privileged. So that's my caution to

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1 you.

2 THE WITNESS: Thank you. Could
3 you repeat the question, please?

4 BY MR. WHEELER:

5 Q. Did Hayfield receive \$27 million
6 worth of EZCORP stock as a result of the asset
7 purchase agreement?

8 A. Hayfield Investment Partners did
9 receive roughly \$27 million worth of EZCORP
10 stock in return for assets that were sold to it
11 under an asset purchase agreement. Not sure
12 it's this one, in fairness, but, yes, as far as
13 it did receive that.

14 Q. As a part owner of Hayfield did
15 you receive a portion of that stock?

16 A. I did not.

17 Q. Why not?

18 MS. BAKER: To the extent you can
19 answer that question without disclosing any kind
20 of communications that are protected from
21 disclosure by the attorney-client privilege in
22 your capacity as an attorney for the company,
23 you may do so.

24 THE WITNESS: The company did not
25 distribute stock to all of its members.

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1 BY MR. WHEELER:

2 Q. Does -- does this relate to the
3 fact that you own Class B and Class C shares of
4 Hayfield?

5 MS. BAKER: Same caution. And
6 this is what?

7 BY MR. WHEELER:

8 Q. The fact that he said the company
9 did not distribute EZCORP stock to all of its
10 members?

11 MS. BAKER: I see. Same caution.

12 THE WITNESS: I'm not aware of all
13 the reasons the company elected not to do that,
14 not distribute shares of EZCORP to its members,
15 but it was not related to the fact that you had
16 Class A, B, and C interests.

17 BY MR. WHEELER:

18 Q. Turn to the next page of the
19 exhibit, a section called 2.6, supplemental
20 payments. Do you see that?

21 A. I do see section 2.6 entitled
22 supplemental payments. Yes.

23 Q. Section A reads guaranteed
24 supplemental payment to be paid to the sellers
25 on November 10, 2013 in the amount of

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1 \$11 million. Do you see that?

2 A. I do see that.

3 Q. Do you know if that payment of
4 \$11 million was made in November of last year?

5 MS. BAKER: Let me just caution
6 you again about answering questions about this
7 document. It isn't even the complete section,
8 it looks like it's cut off in the middle. To
9 the extent you can answer these questions
10 without disclosing any information you would
11 have learned in your capacity as an attorney
12 with the company, including privileged
13 communications, you may do so, but as you were
14 involved in negotiating this agreement I caution
15 you, Mr. Foster.

16 THE WITNESS: Thank you. I
17 understand.

18 It is public knowledge that EZCORP
19 made additional -- made cash payments on or
20 around November of 2013, I believe, totalling
21 \$11 million.

22 BY MR. WHEELER:

23 Q. Did you personally receive any
24 portion of that payment?

25 A. Not of that payment. No.

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1 Q. Did you receive a portion of other
2 payments?

3 MS. BAKER: Other payments of
4 what?

5 THE WITNESS: Money was paid to
6 Hayfield Investment Partners.

7 BY MR. WHEELER:

8 Q. The money being the \$11 million?

9 A. The \$11 million. That's correct.

10 Q. Okay. As a result of your
11 interest in Hayfield Investment Partners, did
12 you receive a portion of that \$11 million?

13 A. I received part of a distribution
14 from Hayfield Investment Partners. I don't
15 believe the distribution was the full
16 \$11 million.

17 Q. What was the size of your
18 distribution?

19 A. I do not recall.

20 Q. Was it more or less of \$100,000?

21 A. It would have been in excess of
22 \$100,000.

23 Q. Would it have been in excess of
24 \$500,000?

25 MS. BAKER: Caution you against

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1 speculating, Mr. Foster.

2 THE WITNESS: I feel comfortable
3 it was not more than \$500,000.

4 BY MR. WHEELER:

5 Q. Do you know if it was more than
6 \$250,000?

7 MS. BAKER: Same caution.

8 THE WITNESS: I do not know off
9 the top of my head.

10 BY MR. WHEELER:

11 Q. If you go back to section A in the
12 document we've been looking at, the section of
13 asset purchase agreement you read the clause it
14 relates to the \$11 million paid last November.
15 The next clause mentions payment of 6 million on
16 November 10, 2014. Do you see that?

17 A. 2.6A, supplemental payments?

18 Q. Yes. There's a clause that says
19 on November 10, 2014 in the amount of
20 \$6 million?

21 MS. BAKER: Same caution twofold.
22 This is an incomplete document. I'm not even
23 sure what it is and, number two, to the extent
24 you're able to answer Mr. Wheeler's question
25 without disclosing communications that are not

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1 protected by disclosure of the attorney-client
2 privilege or otherwise information you would
3 have received in capacity as attorney for the
4 company, you may answer his question.

5 THE WITNESS: Understood. Thank
6 you.

7 There's a clause on November 10,
8 2014 in the amount of \$6 million.

9 BY MR. WHEELER:

10 Q. Correct. Through your ownership
11 interest in Hayfield, do you expect to receive a
12 portion of that payment?

13 A. I would honestly say that I do
14 have an expectation that another distribution
15 will be made to the members in the event
16 additional funds are paid by EZCORP to Hayfield
17 Investment Partners.

18 Q. Do you have an expectation as to
19 the amount of that distribution?

20 MS. BAKER: Which distribution are
21 you talking about?

22 BY MR. WHEELER:

23 Q. The upcoming distribution in
24 November 2014?

25 MS. BAKER: What specifically on

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1 that upcoming distribution are you talking
2 about?

3 MR. WHEELER: I'm asking him if he
4 had an expectation of receiving distribution, he
5 said yes. I'm asking him if he has an
6 expectation of the amount he will personally
7 receive.

8 MS. BAKER: Personally receive.
9 Okay.

10 THE WITNESS: I do not have an
11 expectation. It depends on the liabilities of
12 Hayfield.

13 BY MR. WHEELER:

14 Q. After the asset purchase agreement
15 was signed and executed were you offered a job
16 at EZCORP?

17 A. I was offered a job prior to the
18 closing of an asset purchase agreement between
19 EZCORP and Hayfield.

20 Q. Does Hayfield still exist?

21 A. Yes.

22 Q. Is it a stand-alone company or
23 does it exist as a part of EZCORP?

24 A. It's totally stand-alone.

25 Q. Other than your ownership

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1 interest, do you have any other affiliation with
2 Hayfield at this time?

3 A. I continue to serve as an officer
4 of Hayfield.

5 Q. Do you receive any compensation
6 for that?

7 A. I do not.

8 Q. What kind of business does
9 Hayfield conduct at this time?

10 A. None.

11 Q. So why does the entity still
12 exist?

13 MS. BAKER: To the extent you can
14 answer that question without disclosing
15 communications that are protected from
16 disclosure by the attorney-client privilege, go
17 ahead and do so, Mr. Foster.

18 THE WITNESS: What I can say is
19 that in the asset purchase agreement between
20 Hayfield Investment Partners and EZCORP there is
21 a provision that requires Hayfield to exist for
22 an extended time period after the closing.

23 BY MR. WHEELER:

24 Q. Do you remember that time period?

25 A. I believe it's at least

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1 four years.

2 Q. Four years after the APA?

3 A. The closing of the APA

4 transaction.

5 Q. So that would be late 2016?

6 A. At least.

7 Q. You testified you were offered a
8 job at easy Corp?

9 A. Yes.

10 Q. Did you accept the job?

11 A. Yes.

12 Q. What was that job?

13 A. After the close of the transaction
14 I became senior vice-president of operations of
15 EZCORP On-Line, Inc.

16 Q. What were your duties in that
17 position?

18 A. I don't recall the exact job
19 description of what it was, but it ended up
20 being a lot of transition and integration of the
21 assets that were purchased into the EZCORP
22 on-line Inc. subsidiary.

23 Q. How long did you hold that
24 position?

25 A. I had that position from the

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1 closing in December of 2010.

2 Q. You mean 2012?

3 A. Sorry. December 2012 through

4 June 10th, 2013.

5 Q. Did you receive a salary?

6 A. I did.

7 Q. What was that salary?

8 A. The annualized salary would have
9 been \$240,000.

10 Q. Did you receive any other forms of
11 compensation?

12 A. I don't recall any. No.

13 Q. Why did you leave the company?

14 A. It was not my decision, a
15 voluntary decision by me. I was asked to move
16 to a consulting role.

17 Q. Why were you asked to move to a
18 consulting role?

19 A. I would speculate as to all the
20 reasons that went around that, but when the move
21 that they wanted me -- that EZCORP, through its
22 one or more officers wanted me to take the role
23 of a consultant, it was in connection with cost
24 cutting decisions.

25 Q. Do you still perform any

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1 consulting functions for EZCORP?

2 A. I do not.

3 Q. When was the last time you
4 performed consulting functions for EZCORP?

5 A. June 10, 2014.

6 Q. 2014?

7 A. Correct.

8 Q. I want to go back to Integrity
9 Advance and how the company operated. It's my
10 understanding the company received most of its
11 potential consumers through lead providers; is
12 that right?

13 A. I would say it's accurate to say
14 that the majority certainly of its new customers
15 were acquired through lead providers, lead
16 aggregators, affiliates.

17 Q. Do you know how those companies
18 found potential consumers?

19 MS. BAKER: Those companies being?

20 BY MR. WHEELER:

21 Q. Lead providers, lead aggregators,
22 whatever word?

23 A. I have never worked for one of
24 them. I would be speculating as to exactly what
25 they did. I think many of them had proprietary

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1 ways of finding their consumers. It's my
2 understanding that they used things known as,
3 PPC, paper click, SEO, search engine
4 optimization, e-mailing, even some direct mail,
5 U.S. type mail, as methods of obtaining leads or
6 potential customers.

7 Q. Did you have any knowledge of the
8 representations those companies would make to
9 consumers?

10 MS. BAKER: In what capacity?

11 MR. WHEELER: In his capacity as
12 an employee of Integrity Advance.

13 MS. BAKER: I'm sorry. In what
14 context are you asking this question?

15 MR. WHEELER: I don't know how to
16 answer that question. I'm asking if he had
17 any -- did he have any knowledge of the sort of
18 representations these companies make to
19 consumers?

20 MS. BAKER: Okay.

21 THE WITNESS: Generally we were
22 not privy or given actual knowledge of what
23 representations were made or marketing materials
24 used.

25 MS. BAKER: And I assume you mean

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1 about Integrity Advance?

2 MR. WHEELER: Yes.

3 MS. BAKER: That's what I wasn't
4 clear on. Okay.

5 THE WITNESS: About Integrity
6 Advance.

7 Let me just clarify. Integrity
8 Advance, as we previously stated, did acquire a
9 significant portion of its customers via
10 interaction through contracts with so-called
11 lead providers. Again, Integrity Advance, nor
12 any other of the affiliated companies had any
13 knowledge or say in how those businesses --
14 sorry, the lead providers, acquired their
15 customers or potential customers.

16 BY MR. WHEELER:

17 Q. So if a lead provider made
18 representations about a sort of product a
19 consumer might receive from Integrity Advance,
20 you wouldn't necessarily know that?

21 A. That's correct. Further, they
22 should never -- it was in our contracts that no
23 lead providers should ever make representation
24 on behalf of any lender, including Integrity
25 Advance. It was not permitted.

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1 Q. Do you know how many leads
2 Integrity Advance would purchase on an annual
3 basis?

4 A. I do not. I would be speculating,
5 but certainly in the thousands, if not tens of
6 thousands.

7 Q. What kind of information would be
8 included with each lead?

9 A. When Integrity Advance was
10 purchasing leads through lead providers every
11 lead provider -- we weren't necessarily privy to
12 any or all -- to all the information that they
13 may collect from the consumer. Integrity
14 Advance had a contract with each affiliate that
15 would require a minimum amount of information
16 necessary for Integrity Advance to even consider
17 purchasing that lead.

18 Q. What was that minimum amount of
19 information?

20 A. Off the top of my head, I can't
21 recall all of it, but certainly name, date of
22 birth, some form of income requirement. A
23 military requirement, whether or not -- a series
24 of questions about whether a potential applicant
25 was a member of the military. I believe we

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1 asked last pay date and upcoming pay date.

2 Beyond that I would be speculating.

3 Q. How much did the leads cost?

4 A. The leads that Integrity Advance
5 purchased were -- had a range, depending on the
6 lead provider and they had different -- lead
7 providers had different tiers, we called it.
8 Depending on the lead provider and the tier
9 which a lender was buying, the price would vary.

10 Q. What was the range of the prices?

11 MS. BAKER: During what time?

12 BY MR. WHEELER:

13 Q. During your time at Integrity
14 Advance?

15 A. During my time at Integrity
16 Advance it could be at the very low end perhaps
17 5 or \$10. The high end I believe Integrity
18 Advance was paying over \$150 for some leads,
19 \$175.

20 Q. What would be the difference
21 between a \$150 to \$175 lead compared to a 5 or
22 \$10 lead?

23 A. I would be speculating as to all
24 the different reasons why a lead provider would
25 establish those prices. Those were established

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1 by the lead provider, not us.

2 Q. As Integrity Advance purchased
3 leads did it save all the consumer information
4 it was purchasing?

5 A. Integrity Advance during my tenure
6 there, their standard procedure was to save all
7 consumer information that was presented to it
8 during the application process.

9 Q. And that would include consumers
10 who eventually took out a loan with Integrity
11 Advance and those who did not; is that correct?

12 A. I -- certainly consumers that took
13 out loans with Integrity Advance, information
14 was stored and kept and at least probably the
15 majority of consumers that had -- whose
16 applications were presented to Integrity
17 Advance, that data would also have been stored
18 and maintained and kept.

19 Q. Do you know what happened to that
20 collection of data?

21 A. Are you referring to which data?
22 All?

23 Q. The collection of consumer
24 information that Integrity Advance had purchased
25 from lead providers over its years of operation?

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1 A. Consumer data collected by
2 Integrity Advance.

3 I would refer to the asset
4 purchase agreement and read -- I would want to
5 look at the language of the asset purchase
6 agreement to determine which assets, if any, of
7 any of the subsidiaries which were conveyed to
8 EZCORP.

9 Q. So as you sit here today, you
10 don't know what happened to that collection of
11 data, from your own recollection?

12 MS. BAKER: Again, what's that
13 collection of data? What does that reference?

14 MR. WHEELER: The same collection
15 we've been talking about.

16 MS. BAKER: Which is what?

17 MR. WHEELER: All the data they
18 purchased over their years of operation.

19 MS. BAKER: They purchased being
20 who?

21 BY MR. WHEELER:

22 Q. Integrity Advance.

23 A. I would say it's my recollection
24 that at least certain customer lists of
25 Integrity Advance were probably transferred to

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1 EZCORP.

2 Q. Outside of the asset purchase
3 agreement, are you aware of any other times when
4 Integrity Advance transferred consumer data to a
5 third-party?

6 A. No. That was not a permitted
7 practice of ours of Integrity Advance or any of
8 its affiliates.

9 Q. You've testified that Integrity
10 Advance was registered in Delaware?

11 A. Integrity Advance was registered
12 both as a Delaware limited liability company,
13 formed there, as well as licensed by the
14 Delaware State Bank Commissioner to engage in
15 the business that it engaged in.

16 Q. Was Integrity Advance licensed to
17 lend in any other states?

18 A. Integrity Advance did not hold
19 lending licenses in any other states.

20 Q. But the company did lend to
21 consumers in states other than Delaware;
22 correct?

23 A. Being accurate, Integrity Advance
24 provided loans to individuals who did list an
25 address that had a state other than Delaware.

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1 Q. Why did Integrity Advance loan to
2 those consumers who listed an address outside of
3 Delaware?

4 MS. BAKER: You know, to the
5 extent you can answer questions that start with
6 the question why without disclosing
7 communications or information you received in
8 your capacity as an attorney for the company,
9 without disclosing privileged communications,
10 you can certainly answer those questions.

11 If you cannot answer the question
12 without disclosing communications that are
13 privileged or communications that are
14 privileged, you may not answer.

15 THE WITNESS: Right. I
16 understand. I do believe that would be both,
17 but what I can say is it was the business model
18 of Integrity Advance to -- to loan to anywhere
19 permitted by Delaware law.

20 BY MR. WHEELER:

21 Q. Did Integrity Advance provide
22 loans to residents of Connecticut?

23 A. Actually, I don't recall.

24 (Exhibit Number 6 was marked for
25 identification.)

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1 MR. WHEELER: Please take a second
2 to review the document.

3 THE WITNESS: Sure. Thank you.

4 THE REPORTER: It is number 6.

5 MR. WHEELER: For the record, the
6 Bates is INTEG 007901, a two page document.

7 MS. WEINBERG: 201 to 2.

8 THE WITNESS: I've given this a
9 cursory review.

10 BY MR. WHEELER:

11 Q. What is Exhibit 6, Mr. Foster?

12 A. It appears to be a letter from the
13 State of Connecticut Department of Banking
14 addressed to the president of Integrity Advance,
15 LLC.

16 Q. Have you seen this letter before?

17 A. I do not specifically recall
18 seeing this specific letter.

19 Q. If you look at the third paragraph
20 it says, therefore, persons engaged in the
21 business of making any of these loans in this
22 state without a license must immediately cease
23 and desist in this activity until the required
24 license is procured. Do you see that?

25 A. I see that.

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1 Q. Did I read that correctly?

2 A. Yes. You did.

3 Q. To your knowledge, was Integrity
4 Advance making loans to Connecticut consumers in
5 2010?

6 A. I do not know for sure, but I
7 think to answer that it requires a legal
8 conclusion.

9 Q. Do you know if Integrity Advance
10 stopped loaning to Connecticut consumers after
11 it received this letter from Connecticut
12 Department of Banking?

13 A. I don't know that answer, but,
14 again, use of the term consumer -- Connecticut
15 consumer, I believe is a legal conclusion.

16 Q. Do you know if Integrity Advance
17 responded to this letter?

18 A. I do not recall.

19 (Exhibit Number 7 was marked for
20 identification.)

21 BY MR. WHEELER:

22 Q. Take your time reviewing the
23 document.

24 A. Sure.

25 Q. For the record, this is Bates

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1 INTEG 007903 through 7904.

2 A. I have reviewed the letter.

3 Q. What is Exhibit 7?

4 A. Exhibit 7 is a letter from Katten
5 Muchin Rosenman dated December 3, 2010 addressed
6 to Ms. Cappelli, the principal financial
7 examiner in the State of Connecticut Department
8 of Banking.

9 Q. Have you seen this letter before?

10 A. I recall seeing this letter at
11 some point.

12 Q. Do you know if you approved the
13 contents of this letter?

14 MS. BAKER: Let me caution you
15 about answering any questions concerning the
16 substance of this letter.

17 To the extent you can answer
18 questions about this letter without disclosing
19 any communications or conversations that you
20 would have had that would have been privileged
21 or otherwise any information that you would have
22 received in your capacity as an attorney for the
23 company, you may do so. If you cannot do those
24 things you may not answer Mr. Wheeler's question
25 because you will be waiving attorney-client

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1 privilege.

2 THE WITNESS: I understand. I
3 would answer this by saying I can talk about the
4 specific language since it's been presented to
5 you in the letter and made available, but any
6 discussions and counsel that occurred up to
7 drafting this letter would certainly be
8 protected by the attorney-client privilege.

9 MS. BAKER: Did you write the
10 letter, Mr. Foster?

11 THE WITNESS: I did not.

12 MS. BAKER: So I would caution you
13 in that regard, as well. In fact, I instruct
14 you not to answer that question on the grounds
15 that it seeks confidential information that's
16 protected from disclosure by the attorney-client
17 disclosure.

18 BY MR. WHEELER:

19 Q. Do you intend to follow your
20 attorney's instruction?

21 A. I do.

22 Q. Turn to the second page of the
23 letter, the middle of the last real paragraph
24 there's a sentence that reads, also please note
25 that without obligation to do so at this time

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1 Integrity Advance has ceased making new loans to
2 consumers who claim Connecticut as their state
3 of residency. Do you see that?

4 A. I do see that.

5 Q. Did I read that correctly?

6 A. You did.

7 Q. After this letter dated
8 December 3rd, 2010 did Integrity Advance stop
9 making new loans to consumers who claimed
10 Connecticut as their state of residency?

11 A. I don't recall for sure, but I
12 believe so. I would add I would be very shocked
13 if we didn't since Integrity made that
14 representation to a regulator.

15 (Exhibit Number 8 was marked for
16 identification.)

17 THE REPORTER: Number 8.

18 MR. WHEELER: For the record, this
19 is a one page document, the Bates is INTEG
20 007893.

21 MS. BAKER: This document appears
22 to be an attorney-client privileged
23 communication that might have inadvertently
24 produced to the CFPB and is subject to a call
25 back.

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1 MR. WHEELER: There was not a call
2 back.

3 MS. BAKER: This appearance to be
4 a communication covered by the attorney-client
5 privilege. I would ask that it be subject to
6 call back. I instruct my client not to testify
7 to that.

8 THE WITNESS: I agree.

9 MS. BAKER: I'm requesting the
10 CFPB destroy this document and include it in the
11 documents that are subject to the call back,
12 which I understand is subject to an agreement
13 April of this year.

14 MS. WEINBERG: For the record,
15 there was no agreement made, there was a request
16 made.

17 MS. BAKER: I was not the person
18 who had that understanding, but my understanding
19 is CFPB actually alerted formal counsel to that
20 and there was a communication and understanding
21 and certainly that is our understanding that
22 there was a call back, meaning those documents
23 were provided back to Integrity and those
24 documents have subsequently been destroyed by
25 the CFPB and would not be included in this

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1 document. I argue this be part of that. This
2 is a privileged communication, it was disclosed
3 inadvertently.

4 MR. WHEELER: For the record, a
5 request was made by prior counsel. This e-mail
6 marked as Exhibit 8 was not part of that
7 request. I understand you're making the request
8 now.

9 MS. BAKER: Yes. That's correct.
10 Thank you.

11 MS. WEINBERG: Just to clarify the
12 record. No agreement was reached. There was a
13 request made and that was the last communication
14 and there was no further communication on that
15 matter after the request was made by Integrity's
16 former counsel, Katten.

17 MS. BAKER: Okay. And I will
18 follow up with you then about that and continue
19 that conversation just so you're clear about
20 that. We can have that conversation off line.
21 I don't think we need to have it on the record
22 today unless you would like to. We will
23 continue that conversation. We would like, I'm
24 saying this on the record, we would like those
25 documents to be part of a call back provision,

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1 which not only involves not only providing them
2 back to Integrity, but being destroyed by the
3 CFPB and no used in connection with this matter
4 because they were inadvertently produced. I
5 understand what you are saying, Ms. Weinberg,
6 and so I will continue a conversation with you
7 about this off line. I request the document
8 marked Exhibit 8 also be included among that
9 collection. Thank you.

10 MR. WHEELER: Let's go off the
11 record.

12 (Whereupon, at 11:38 a.m., a lunch
13 recess was taken.)
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1 AFTERNOON SESSION

2 (12:20 p.m.)

3 MS. BAKER: Did you want to go
4 back on the record and make a correction?

5 THE WITNESS: I did. I would like
6 to make one clarification. Earlier we had some
7 discussions around my personal compensation and
8 salary from -- it wasn't clear exactly what
9 entities or entity we're referring to.
10 Definitely I served in capacity, as I previously
11 stated, an officer, general counsel for
12 Integrity Advance. I was always employed by
13 Willowbrook Partners and Willowbrook Partners is
14 the only entity that paid me a salary, not
15 Integrity Advance.

16 BY MR. WHEELER:

17 Q. So you were performing functions
18 for Integrity Advance, but your technical
19 employer was Willowbrook Partners?

20 A. That's accurate statement. Yes.

21 Q. Was there anyone else who
22 performed functions for Integrity Advance, but
23 was technically employed by Willowbrook Partners
24 aside from yourself?

25 A. Yes.

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1 Q. Who was that?

2 A. James Carnes.

3 Q. Anyone else?

4 A. No.

5 MS. WEINBERG: Mr. Wheeler showed
6 you an organizational chart which listed -- that
7 was Exhibit 1?

8 THE WITNESS: Yes.

9 MS. WEINBERG: It listed a number
10 of people. Were the people who are -- appear
11 below your name on this organizational chart,
12 there are one, two, three, four, five, six,
13 seven, eight, paid by Integrity or paid by
14 Willowbrook?

15 THE WITNESS: Neither.

16 MS. WEINBERG: Who were they paid
17 by?

18 THE WITNESS: HIP Financial, LLC.

19 MS. WEINBERG: And --

20 THE WITNESS: Other than James
21 Carnes and myself were paid salaries from
22 Willowbrook Partners. The other people on this
23 chart were received payment from HIP Financial.

24 MS. WEINBERG: Did you also
25 receive payroll from HIP Financial?

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1 THE WITNESS: I did not.

2 MS. WEINBERG: And the only two
3 people who received payroll from Willowbrook
4 were you and Mr. Carnes?

5 THE WITNESS: Correct.

6 BY MR. WHEELER:

7 Q. Are you familiar with the loan
8 application process that Integrity Advance used?

9 A. Yes.

10 Q. Could you walk me through that
11 process from the consumer's standpoint?

12 MS. BAKER: Do you understand the
13 question?

14 THE WITNESS: I do understand the
15 question.

16 MS. BAKER: Okay.

17 THE WITNESS: If a -- I will put
18 myself in the -- as I understand it and as if I
19 were a consumer. And I found the Integrity
20 Advance website there is a -- there had been a
21 spot -- place on the website where you would
22 complete an application. The application would
23 have several pages to it asking for various
24 pieces of information about myself as the
25 consumer, several places to authorize either via

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1 initial or checking I accept to terms and
2 conditions, in addition there would be a submit
3 button or the information is then submitted to
4 the systems of Integrity Advance and that sets
5 off a number of processes and procedures and
6 that happens while the consumer waits and then
7 after typically seconds, at least that initial
8 answer or response is presented on the website
9 to the consumer of potentially you've been
10 denied or provisionally granted credit.

11 BY MR. WHEELER:

12 Q. So to this point the consumer
13 would have just completed an on-line
14 application?

15 A. Yes, if they came to the website
16 directly. Yes.

17 Q. After they received their, I
18 believe you called it a provisional decision,
19 what would happen next?

20 A. I can't say that in a simplified
21 approach. Depending on -- it could have
22 required additional documentation -- sorry,
23 information from the consumer. Many times there
24 was a phone call from a representative in the
25 Delaware call center to that person ensuring

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1 that they understood all the terms and
2 conditions of the loan how it was being provided
3 to them, how much, verifying a lot of the
4 information to confirm to the best of their
5 ability that was the person and they understood
6 what they were signing up for and agreeing to.

7 Q. Was the consumer able to sign the
8 application on-line?

9 A. Yes.

10 Q. How did they do that?

11 A. Through a series of -- and I
12 apologize for the exact details. I think it may
13 have changed over time, but a series of
14 accepting or agreement of either initially and a
15 final I accept, this is the terms and conditions
16 and I agree and I'm submitting it for approval
17 or consideration.

18 Q. Do you know how many times the
19 consumer would have needed to click I accept or
20 initial electronically?

21 A. That may have varied over time,
22 but it might be somewhere between six and nine.

23 (Exhibit Number 9 was marked for
24 identification.)

25 THE REPORTER: Number 9.

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1 BY MR. WHEELER:

2 Q. Take your time reviewing the
3 document. For the record, a single page
4 document with the Bates INTEG 000175.

5 A. I reviewed this document.

6 Q. What is Exhibit 9?

7 A. It appears to be physical
8 representation of applicant, I'm not sure what
9 company, somebody who used -- the potential
10 lender using the system indicating that the
11 person completing this application has
12 electronically signed the documents presented to
13 them.

14 Q. When you look at the signature
15 fields that appear on the left-hand column, do
16 they appear to be signature fields that
17 Integrity Advance used when it was loan to
18 consumers?

19 A. Yes, they do, as I said before,
20 anywhere from six to nine signatures or
21 acknowledgements were required at various times
22 throughout the life cycle of Integrity Advance
23 and the process.

24 Q. What would have happened if the
25 consumer didn't complete one of the signatures?

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1 Let's say the application signature was missing.

2 What would happen?

3 A. Again, a bit open ended on a
4 number of things, but certainly without all
5 signatures showing up as being completed there
6 can be no provisional approval or final approval
7 of an application.

8 Q. Would your statement also apply to
9 the ACH authorization signature?

10 A. There would be no provisional or
11 initial approval of the application without
12 additional contact with the customer, certainly
13 on that matter.

14 Q. So would there be any way for a
15 consumer to apply for a loan through Integrity
16 Advance without signing an ACH authorization?

17 A. Yes.

18 Q. How so?

19 A. As a follow up -- part of the
20 process with one or more of these being
21 incomplete, there would be phone calls made by a
22 customer service representative to the applicant
23 discussing many matters, one of which would have
24 been the signatures, specifically on the ACH
25 authorization there would be a question as to

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1 are you -- you know, are you going to sign that,
2 do you want to sign that, why have you not
3 signed that, or any of these.

4 Q. So if our hypothetical consumer
5 said I don't want to sign the ACH authorization
6 form, what would have happened?

7 A. My understanding of the process
8 would have been that if that individual met
9 every other underwriting criteria and
10 thresholds, et cetera, including all the other
11 signatures, and could arrange for a different
12 form of payment they could have been approved
13 for a loan.

14 Q. What forms of payment did
15 Integrity Advance accept?

16 A. My recollection is Integrity
17 Advance accepted checks, money orders, credit
18 cards, debit cards. Those are the main ones.

19 Q. Do you know what percentage of
20 consumers would have paid in one of those other
21 methods and not ACH?

22 A. I do not know that percentage.

23 Q. Would it have been more than
24 5 percent?

25 MS. BAKER: Caution you not to

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1 speculate here.

2 THE WITNESS: That -- to answer
3 that properly or accurately would also require
4 at what point you're referring to in the
5 process, because you had customers who even did
6 sign that, but then elected later to pay a
7 different way, if that makes sense.

8 BY MR. WHEELER:

9 Q. It does. Do you have a sense of
10 what percentage of consumers at any point in
11 their relationship with Integrity Advance paid
12 by means other than ACH?

13 A. I don't have -- more than
14 1 percent. Probably more than 5 percent.

15 Q. More than 10 percent?

16 A. I would really be speculating at
17 this point, but not insignificant.

18 Q. Are you familiar with an entity
19 called Shadow Creek Holdings?

20 A. I know the name Shadow Creek
21 Holdings.

22 Q. What do you know about Shadow
23 Creek Holdings?

24 A. I know it was an entity at some
25 point that I helped or assisted in forming the

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1 entity. Beyond that, I don't recall anything
2 substantive that it engaged in.

3 Q. When you say assisted in the
4 formation, were you doing that in your capacity
5 as a lawyer?

6 A. Yes.

7 MS. BAKER: To that end, let me
8 caution you about disclosing any communications
9 that would be protected from disclosure by the
10 attorney-client privilege or otherwise
11 disclosing information you would have received
12 in your capacity as counsel.

13 BY MR. WHEELER:

14 Q. Was Shadow Creek Holdings
15 affiliated with Hayfield Investment Partners?

16 A. I don't recall.

17 Q. Was Shadow Creek Holdings
18 affiliated with Integrity Advance?

19 A. I don't recall or have an org
20 chart of the corporation or the different
21 entities.

22 Q. Do you know what kind of business
23 Shadow Creek Holdings engaged in?

24 A. No. I don't recall anything
25 substantive. That's my recollection.

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1 (Exhibit Number 10 was marked for
2 identification.)

3 MR. WHEELER: What number are we
4 on?

5 THE REPORTER: This is number 10.
6 BY MR. WHEELER:

7 Q. Please take your time reviewing
8 the document. For the record, this is INTEG
9 000601 through 615.

10 A. I cursorily looked through this
11 document.

12 Q. What is Exhibit 10?

13 A. Exhibit 10 is a -- it says it's a
14 contract between hostmysite.com and Shadow Creek
15 Holdings, LLC.

16 Q. Have you seen this document
17 before?

18 A. I have.

19 Q. In what context did you see it?

20 A. My capacity as counsel for Shadow
21 Creek Holdings and advising it as to this
22 agreement.

23 Q. If you look at the first page of
24 the document on the left-hand side it says
25 primary domain name. Do you see that?

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1 A. Yes.

2 MS. BAKER: Let me just caution
3 you about answering questions concerning this
4 agreement.

5 You know, to the extent you were
6 involved in negotiating its content or otherwise
7 received information in your capacity as an
8 attorney or otherwise have information that's
9 subject to or protected from disclosure by the
10 attorney-client privilege, you cannot answer a
11 question and disclose any of that information or
12 the content of those communications. Subject to
13 that, if you're able to answer questions about
14 this agreement you should do so.

15 THE WITNESS: I understand.

16 BY MR. WHEELER:

17 Q. We were talking about primary
18 domain name and it says Iadvancecash.com. Do
19 you see that?

20 A. I do see that.

21 Q. Was Iadvancecash.com Integrity
22 Advance's website?

23 A. www.Iadvancecash.com was the web
24 address for Integrity Advance's website for its
25 operations. Yes.

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1 Q. Did hostmysite.com host that web
2 address for Integrity Advance?

3 A. You asked did it host domain?

4 Q. Yes. Did it host the domain?

5 A. We're getting in areas out of my
6 expertise, as well, as far as internets and
7 domains and all that, but I feel confident that
8 Integrity Advance, LLC owned www.Iadvancecash
9 domain and the domain name was --

10 MS. BAKER: If you're able to
11 answer without speculating, do so, but don't
12 speculate.

13 THE WITNESS: Sure. Okay.

14 BY MR. WHEELER:

15 Q. What was the purpose of this
16 agreement, Mr. Foster?

17 MS. BAKER: Again, same caution.
18 If you can answer that question without
19 disclosing information or communications that
20 are protected from disclosure by the
21 attorney-client privilege you may do so, but as
22 an attorney who would have been involved in
23 negotiating this contract, I would caution you.

24 THE WITNESS: Uh-huh. I think the
25 only thing I can comfortably say is that it's a

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1 contract that appears to provide hosting
2 services of hardware and hosting services on
3 behalf of a company. Hostmysite.com appears to
4 be the company providing those services.

5 BY MR. WHEELER:

6 Q. Who were the services being
7 provided to?

8 A. The customer listed is Shadow
9 Creek Holdings.

10 Q. Why was Shadow Creek Holdings
11 involved with Integrity Advance's website?

12 MS. BAKER: Same caution to you.

13 THE WITNESS: I don't recall. To
14 be honest, I don't recall.

15 BY MR. WHEELER:

16 Q. That's your e-mail address listed
17 in the middle of the first page; correct,
18 Efoster@wbpldt.com?

19 A. Yes. That's an e-mail address of
20 mine.

21 Q. That's your name listed as
22 emergency contact, as well?

23 A. Yes. That's referring to me.

24 Q. You don't know why Shadow Creek
25 was involved in this contract?

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1 MS. BAKER: Same caution to you.

2 THE WITNESS: I would be

3 speculating why Shadow Creek was listed on this

4 contract, especially at that time.

5 BY MR. WHEELER:

6 Q. Aside from the formation, did you

7 perform any other functions for Shadow Creek

8 Holdings?

9 A. I am sure -- well, I believe I was

10 also listed as some form of officer of that LLC

11 at some point, as well.

12 Q. But you don't remember whether or

13 not it was affiliated with Hayfield?

14 A. Without seeing the group again I

15 think there was another -- there may have been

16 another Shadow Creek. I don't know specifically

17 with that entity.

18 Q. When was Shadow Creek formed?

19 A. I don't recall.

20 Q. Can you recall a year?

21 MS. BAKER: Please don't

22 speculate.

23 THE WITNESS: I can't remember

24 which year that was formed.

25 BY MR. WHEELER:

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1 Q. Do you know if Shadow Creek
2 Holdings entered into any other contracts for
3 Integrity Advance?

4 A. Well --

5 MS. BAKER: Can you repeat the
6 question.

7 THE WITNESS: I would just say --
8 I was not in any way trying to represent that
9 Shadow Creek entered into any contracts on
10 behalf of Integrity Advance. If I stated that
11 that's an erroneous statement of mine.

12 BY MR. WHEELER:

13 Q. Are you aware at any times where
14 Shadow Creek Holdings entered into a contract on
15 behalf of Integrity Advance?

16 A. No. I'm not.

17 MR. WHEELER: Let's go off the
18 record for a second.

19 (Discussion off the record.)

20 EXAMINATION BY COUNSEL FOR CFPB

21 BY MS. WEINBERG:

22 Q. First I wanted to go back to some
23 of the testimony you gave this morning about the
24 voting rights at Hayfield.

25 A. Sure.

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1 Q. You testified, and please correct
2 me if this is a misstatement, that the voting
3 rights at Hayfield were different from the
4 allocation of the shares as designated in the
5 production to the Bureau; is that correct? The
6 shares in Hayfield? The partnership shares were
7 different from the voting shares?

8 A. To clarify, the operating
9 agreement, which I believe was provided, has
10 three different classes of stock or membership
11 units, and each of those shares or units has
12 been designated voting rights attached with it.

13 Q. And what are the classes of the
14 shares?

15 A. There's three classes of stock
16 units. Class A, Class B, Class C.

17 Q. And which, if any, of those have
18 voting rights?

19 MS. BAKER: Caution you not to
20 speculate here. Answer the question, but.

21 THE WITNESS: My recollection is
22 Class A has voting rights. Class B may have
23 limited voting rights. And Class C has maybe no
24 voting rights.

25 BY MS. WEINBERG:

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1 Q. And who are the owners of Class A
2 shares?

3 A. To my knowledge, the owners of
4 Class A shares are the Stevens entity and -- I
5 don't remember if Mr. Carnes owned A or B, off
6 the top of my head.

7 Q. And who are the owners of the B
8 shares?

9 A. I believe Jim had some ownership
10 in that of B and then I owned some Class B
11 shares, and then LV Trust owned some Class B
12 shares.

13 Q. So those three for Class B.
14 And for Class C?

15 A. I believe -- I believe I was the
16 only Class C holder.

17 Q. Okay. So you said Class A had
18 voting rights and Class B had some voting
19 rights. Can you distinguish the voting rights
20 between Class A and Class B?

21 A. Honestly without looking at the
22 operating agreement, I can't. It's spelled out
23 in the operating agreement.

24 Q. Okay. And what were the
25 percentages of Class A shares held by the

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1 Stevens entity and Carnes?

2 A. I don't recall without seeing --
3 there's a chart that have that broken out.

4 Q. Do you recall roughly? Who had
5 more? Was it Stevens or Carnes?

6 A. Of Class A?

7 Q. Of Class A?

8 A. I honestly don't remember because
9 I don't remember Jim's -- Mr. Carnes' allocation
10 if any between those two, off the top of my
11 head.

12 Q. Okay. I wanted to start by
13 showing you what will be marked Exhibit 11, I
14 guess.

15 (Exhibit Number 11 was marked for
16 identification.)

17 BY MS. WEINBERG:

18 Q. Do you recognize this?

19 MS. BAKER: Take a second and look
20 at it, please. For the record, this document is
21 this Exhibit 11?

22 MS. WEINBERG: Yes.

23 It looks like it's Integrity Bates
24 number 266, 267, 268 -- it looks like it's
25 several documents actually. So then it looks

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1 like it's Integrity 226 and 227. So it looks
2 like it's two different documents stapled
3 together.

4 THE WITNESS: I reviewed them.

5 BY MS. WEINBERG:

6 Q. Do you recognize these?

7 A. I recognize these documents.

8 Q. On the bottom can you look at the
9 signatures on page -- let's do it one at a time,
10 on page 266, the first page. Is that your
11 signature?

12 A. Yes. That's my signature.

13 Q. And the bottom of 267, is that
14 also your signature?

15 A. Yes. It is.

16 Q. On page 226, is that your
17 signature?

18 A. Yes. It is.

19 Q. And on page 227, is that your
20 signature?

21 A. Yes. It is.

22 Q. Okay. I hope you can help us
23 understand these two documents.

24 Wait a minute. Strike that. I'm
25 going to move on.

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1 Can you tell me who was involved
2 in the document production to the Bureau on
3 Integrity Advance's side?

4 A. That's not privileged, is it?

5 MS. BAKER: Let me caution you
6 this way. To the extent you can disclose who
7 was involved in helping put together or assemble
8 answers to either, you know, responses to the
9 request for production, you may do so. I would
10 caution you that you should not provide the
11 names of attorneys and you should not disclose
12 any communications or information that you might
13 have learned or provided in connection with that
14 project, but I think you could disclose the
15 discrete question -- respond to the discrete
16 question of what individuals at Integrity helped
17 gather documents or otherwise provide a
18 response, nonlawyers.

19 THE WITNESS: Nonlawyers. I do
20 not know for sure what nonlawyers assisted in
21 the production of the documents to the CFPB.

22 BY MS. WEINBERG:

23 Q. I'm not asking for communications
24 between lawyers and the clients. Were any
25 lawyers involved in production of documents to

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1 the CFPB?

2 A. Yes.

3 Q. Who were they? I understand
4 you've objected, you already instructed your
5 client. I'm asking him a question. Do you
6 understand the question?

7 A. I understand the question.

8 Q. Can you answer the question?

9 MS. BAKER: I would caution you
10 again to the extent that there are
11 communications --

12 MS. WEINBERG: I'm not asking for
13 communications.

14 MS. BAKER: May I? I'm allowed
15 under the Rules to provide my client with
16 counsel as to that question.

17 MS. WEINBERG: You have already
18 provided him with counsel on this question.

19 MS. BAKER: I would caution my
20 client to the extent you are disclosing
21 information or any information that would either
22 be considered attorney work product or
23 attorney-client privilege, you may not disclose
24 that information.

25 The name of an individual is not

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1 attorney work product or attorney-client
2 privilege. To the extent an attorney did
3 certain tasks, that might be an attorney work
4 product.

5 THE WITNESS: Could you repeat
6 that?

7 MS. BAKER: Absolutely the name of
8 an individual is not per se privileged
9 information or information protected by the
10 attorney work product.

11 MS. WEINBERG: It's only the
12 attorney privilege which is -- which a witness
13 is exempt from testifying to in a Bureau
14 hearing. That is the whole --

15 MS. BAKER: I am counseling my
16 client he may not disclose attorney work product
17 either, which is subsumed by privilege.

18 To the extent you can disclose the
19 names of individuals but not the fact of what
20 they did, you may disclose the name of an
21 individual, but you can't say person X did Y.

22 THE WITNESS: Okay. Christopher
23 Picket was an individual primarily involved with
24 the gathering of information provided to the
25 CFPB.

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1 BY MS. WEINBERG:

2 Q. Anybody else?

3 A. None that I have actual knowledge
4 of the gathering of documents.

5 Q. Were you involved?

6 MS. BAKER: Same caution.

7 THE WITNESS: I was asked certain
8 questions.

9 BY MS. WEINBERG:

10 Q. Did you review the documents that
11 Mr. Picket assembled before they were produced
12 to the CFPB?

13 MS. BAKER: I caution you not to
14 answer that question, it's attorney work product
15 and opinion work product.

16 MS. WEINBERG: I'm not asking
17 about any particular document. I'm asking if
18 you reviewed the production prior to its being
19 produced to the CFPB.

20 MS. BAKER: I caution you not to
21 answer that question, it's privileged. What you
22 did in connection with your job is privileged.

23 MS. WEINBERG: Not everything a
24 lawyer does is privileged. Communications
25 between an attorney and his client are

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1 privileged. Not every activity of an attorney
2 are privileged.

3 MS. BAKER: I caution you not to
4 answer that question. I instruct you not to
5 answer that question.

6 THE WITNESS: I will follow my
7 counsel's advice in not answering that question.

8 BY MS. WEINBERG:

9 Q. Are you aware of what steps were
10 taken by Integrity Advance before documents were
11 produced to the Bureau?

12 MS. BAKER: You may answer that
13 question, but you may not disclose the steps.

14 THE WITNESS: I have an awareness
15 of some of the activities that occurred to
16 produce the documents.

17 BY MS. WEINBERG:

18 Q. I'm sorry. Would you please
19 repeat that?

20 A. I am aware or was made aware of
21 processes and activities that occurred to put
22 together the documents in responding to the
23 request of the CFPB.

24 Q. What were those steps?

25 MS. BAKER: I caution you not to

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1 answer that question. I instruct you not to.
2 That is protected from disclosure on the
3 attorney-client privilege.

4 MS. WEINBERG: Ms. Baker, I will
5 also caution you that attorneys who interfere
6 with juror investigative hearings can be
7 foreclosed from participating in such hearings
8 in the future.

9 MS. BAKER: I instruct you not to
10 answer that question on the grounds it seeks
11 production of privileged information.

12 (Exhibit Number 12 was marked for
13 identification.)

14 MS. BAKER: This is Exhibit 12?

15 THE REPORTER: Yes.

16 MS. WEINBERG: The record reflects
17 the witness is reviewing the exhibit.

18 THE WITNESS: I have cursorily
19 reviewed this.

20 BY MS. WEINBERG:

21 Q. Have you seen this document
22 before?

23 A. Yes.

24 Q. When was it?

25 A. The first time I saw this was in

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1 preparation of this hearing today.

2 Q. Do you know how Integrity Advance
3 came into possession of this document?

4 A. I do not.

5 Q. Do you know why this document
6 lists Integrity Advance's name company name.
7 For instance, on page 18, which is the first
8 full page?

9 A. I'm sorry.

10 Q. If you look on the first full
11 page 118?

12 MS. BAKER: Bates number 118 on
13 the bottom right. It's page 3?

14 MS. WEINBERG: 118.

15 THE WITNESS: I see. I do not
16 know why in this case iAdvanceCash is in this
17 document.

18 BY MS. WEINBERG:

19 Q. iAdvanceCash is one of the names
20 used by Integrity Advance?

21 A. That's correct.

22 Q. I correct your attention to the
23 following page on 119, which lists the loan
24 requirements?

25 A. I see that section.

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1 Q. Did Integrity Advance require a
2 steady source of income for its applicants?

3 A. Integrity Advance required an
4 income and employment.

5 Q. I would like to read you a
6 sentence that appears in paragraph 3A of this.
7 Steady source of income is money earned from a
8 job where they are paid by the hour or receive
9 an annual salary.

10 Did Integrity Advance have such a
11 requirement for its loan applicants.

12 A. I would say it's pretty similar to
13 that statement. I don't know that we ever --
14 that there exists a statement that specifically
15 defines it as that.

16 Q. But it would be a fair summary of
17 Integrity Advance's practices? Is that a fair
18 statement?

19 MS. BAKER: What would be a fair
20 summary?

21 THE WITNESS: Are you saying this
22 sentence a steady source of income is a money
23 earned by a job where they are paid by the hour
24 or receive an annual salary?

25 BY MS. WEINBERG:

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1 Q. Yes.

2 A. I think the term regular would
3 have been more appropriate, but otherwise
4 generally that describes it.

5 Q. Okay. I would refer you to the
6 top of Bates stamped Integrity Advance 000120,
7 the following page?

8 A. Yes.

9 Q. Did Integrity Advance require its
10 consumers to have net income of at least \$1,000
11 per month?

12 A. I don't know for sure.

13 Q. You don't know what the income
14 requirement was for applicants to receive a loan
15 from Integrity Advance?

16 A. Not off the top of my head.

17 Q. Okay. Did -- I'm referring you
18 now to paragraph C of page 120.

19 Did Integrity Advance require that
20 its applicants be paid bi-weekly or semi-monthly
21 in order to receive a loan?

22 A. You're talking about Integrity
23 Advance at any time?

24 Q. At any time did Integrity Advance
25 have that requirement as I've just read from

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1 paragraph C, must be paid bi-weekly or
2 semi-monthly?

3 A. I believe there was -- there were
4 periods of time where the only product offered
5 by Integrity Advance would have been a bi-weekly
6 or semi-monthly payment schedule.

7 Q. Okay.

8 A. I wouldn't necessarily couch it
9 that way is what I'm trying to explain.

10 Q. Refer now to subparagraph D. Did
11 Integrity Advance at any time require consumers,
12 applicants, to have a checking account in their
13 name?

14 A. My recollection that was -- that
15 was always a requirement that there be -- the
16 consumer have --

17 (Interruption.)

18 BY MS. WEINBERG:

19 Q. All right. I believe the last
20 question in front of you was referring to
21 subparagraph E on Integrity 000120. Did
22 Integrity Advance have a requirement that its
23 applicants have direct deposit of their paycheck
24 to their checking account?

25 A. My recollection is that was a

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1 question in some format asked of the customer,
2 but I'm not 100 percent sure if the customer
3 said they did not have direct deposit into that
4 checking account.

5 Q. Okay. Moving on to F. Did
6 Integrity Advance have a requirement of its
7 applicants that they be able to be contacted by
8 telephone up to 9:00 p.m.?

9 A. I'm never aware of a requirement
10 like that.

11 Q. Did Integrity Advance require its
12 applicants to be 18 years of age?

13 A. Yes.

14 Q. Okay. Okay. I would like to ask
15 you to read -- you can read to yourself the
16 script at the bottom of page 122 where it
17 says -- see the paragraph that says loan fee in
18 the script?

19 A. I do.

20 Q. Could you read it and let me know
21 when you're finished reading it?

22 A. I shall. I have read those
23 paragraphs.

24 Q. Okay. And can you summarize what
25 it states?

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1 MS. BAKER: What this document
2 states?

3 MS. WEINBERG: Yes. What the
4 paragraph states or if you prefer to read the
5 whole thing, that's fine.

6 THE WITNESS: The first -- I
7 apologize. I don't 100 percent understand what
8 you want me to answer.

9 BY MS. WEINBERG:

10 Q. Okay. Would it be accurate to say
11 that this reflects a policy of having four
12 rollovers of a loan that occur automatically and
13 after that time an additional \$50 is assessed
14 against the consumer in addition to the finance
15 charge and that \$50 is paid towards the
16 principal? Would that be an accurate summary of
17 what this is?

18 MS. BAKER: The policy for what?
19 I want to make sure we understand the question.

20 MS. WEINBERG: I'm asking if
21 that's what this paragraph says, these three
22 paragraphs say.

23 MS. BAKER: Is it a policy?

24 BY MS. WEINBERG:

25 Q. I'm just asking if that's what

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1 these three paragraphs say, if that's a fair
2 summary?

3 A. These paragraphs to me appear to
4 be sample scripts for a customer service
5 representative when speaking to someone about a
6 certain type of loan that they have taken out or
7 are going to take out.

8 Q. Okay. Does this sample script
9 accurately reflect the way Integrity Advance's
10 loans to customers worked?

11 A. I would say these three paragraphs
12 fairly summarize the options available to a
13 customer that took out a loan with Integrity
14 Advance.

15 Q. Okay.

16 MS. BAKER: I would just like the
17 record to reflect we haven't established that
18 this document was actually used by Integrity
19 Advance. I mean, obviously, Mr. Foster can
20 answer your questions, but I just want the
21 record to reflect that fact.

22 THE WITNESS: I have no reason to
23 know or believe that these scripts were actually
24 used on behalf of Integrity Advance.

25 BY MS. WEINBERG:

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1 Q. I would like to refer your
2 attention to page Bates stamped 000138 of this
3 document, which says at the top, collection note
4 abbreviations. Do you see that page?

5 A. I do see that page.

6 Q. Are you familiar with the
7 abbreviations used by the call centers employed
8 by Integrity Advance?

9 A. These do not look familiar. I
10 recognize maybe a couple of these, but this does
11 not look familiar to me.

12 Q. So then I take it from your answer
13 you are familiar with the notations used by the
14 call centers employed by Integrity Advance?

15 A. No. I would say I know a few of
16 the few annotations they would have made, but
17 not generally familiar with even the majority of
18 them. And these do not look -- these don't ring
19 a bell to me.

20 Q. All right. So let's move on. I
21 would like to spend a little time with you now
22 talking about call centers.

23 A. We're done with this?

24 Q. Yes. We're done with that.

25 A. Yes.

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1 Q. So can you start listing the
2 different companies that you used for call
3 center services starting at the beginning of
4 Integrity's operation?

5 MS. BAKER: And when you say you,
6 do you mean the company Integrity Advance?

7 BY MS. WEINBERG:

8 Q. Yes.

9 A. Okay. I'm going to do my best to
10 go back down memory lane.

11 Integrity Advance was formed --
12 going in 2008.

13 I feel confident that Integrity
14 Advance first used third-party call center
15 called Clearvox.

16 Q. Okay. For what period ever time
17 did Integrity use Clearvox? You knew that was
18 coming.

19 A. Yeah. I don't remember off the
20 top of my head, but greater than a year I feel
21 confident.

22 Q. So from what year? From 2009?

23 A. Integrity would have started
24 really its operations in 2008.

25 Q. Okay. So -- and you say Integrity

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1 used them for a little more than a year. Is
2 that your testimony?

3 A. I really don't know the number.
4 It was certainly greater than a year.

5 Q. Okay. But less than two years?

6 A. I really don't know without
7 looking at the contract.

8 Q. What would be the next call
9 center? I will get into details, but I want to
10 get the list now if I can?

11 MS. BAKER: Can I ask you,
12 Ms. Weinberg, for a point of clarification.
13 When you say call center, can you define what
14 you mean?

15 MS. WEINBERG: I'll get into it.

16 MS. BAKER: You want a list of all
17 the vendors?

18 MS. WEINBERG: Yes.

19 THE WITNESS: I believe the next
20 outsourced call center that Integrity Advance
21 used would have been Worldwide Analytics.

22 BY MS. WEINBERG:

23 Q. Okay. Can you estimate what
24 period of time you used Worldwide Analytics?
25 You meaning Integrity Advance?

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1 A. My recollection that worldwide
2 analytics, Integrity Advance contracted with
3 them in early 2011 is my recollection.

4 Q. And when did you cease using
5 Worldwide Analytics?

6 A. Integrity Advance would have
7 ceased -- would have ceased operations with it
8 upon the closing of the merger in December of
9 2012.

10 Q. Did you use any other call
11 centers?

12 A. I'm somewhat speculating on the
13 definition of call center. We used other
14 outsourced vendors, certainly third-party
15 collections.

16 Q. Who would that be?

17 A. Integrity Advance I believe only
18 used one, that was Integrity Financial Partners.

19 Q. What period of time did you use
20 Integrity Financial Partners?

21 A. I believe we contracted with them,
22 you know, not long after operations began. So
23 it would have been 2008 or 2009 and I'm pretty
24 sure that continued through all the way to 2012,
25 December 2012.

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1 Q. Until Integrity Advance shut down
2 operations? Is that --

3 A. I don't remember.

4 Q. Okay. We have a little gap here.
5 Was there any period of time between when
6 Integrity ceased using Clearvox for call center
7 services and commenced using Worldwide
8 Analytics?

9 A. I don't think so.

10 Q. Okay. So would it be fair to say
11 you used Clearvox from 2008 to 2011?

12 MS. BAKER: You meaning Integrity
13 Advance?

14 BY MS. WEINBERG:

15 Q. Yes.

16 A. I have no reason to believe that
17 would not be the case.

18 Q. Okay. Have you ever heard of a
19 company called Centrinex?

20 A. Yes.

21 Q. And what is Centrinex?

22 A. Centrinex is also a third-party
23 call center and I may have confused Clearvox and
24 Centrinex or kind of swapped them. There was
25 some affiliation between those two and I'm quite

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1 frankly forgetting what it was.

2 Q. Did Integrity contract separately
3 with Centrinex or is it your testimony Centrinex
4 was part of Clearvox? I'm a little unclear.

5 A. I don't recall. I believe they
6 were separate contracts.

7 Q. Okay. And what services did
8 Integrity Advance contract with Clearvox to
9 provide?

10 A. Assuming I was correct and that
11 Integrity Advance did do business with actual
12 Clearvox during the time periods it would have
13 been for -- I would describe it as loan
14 processing, customer service representatives
15 that assist in the loan processing application
16 process, as well as what we call really work
17 out, sort of internal collections.

18 Q. And did you have a written
19 agreement with Clearvox or Centrinex?

20 A. We should have.

21 Q. Do you know what the metrics were
22 for payment to Clearvox or -- I'm going to use
23 Clearvox and Centrinex interchangeably, if
24 that's okay?

25 A. I confused them. My recollection

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1 is that they were on -- their compensation was a
2 cost plus basis.

3 Q. Can you describe what you mean by
4 cost plus?

5 MS. BAKER: I would just caution
6 you not to speculate.

7 THE WITNESS: To the extent I was
8 correct that the contracts do show that it was a
9 cost plus, it would mean what I would be meaning
10 by that would be actual cost to the provider
11 plus a margin added to it, 10 or 20 percent.

12 BY MS. WEINBERG:

13 Q. Would the contract also have
14 included any compensation based on obtaining
15 signed agreements from consumers or any other
16 performance based metrics?

17 A. I don't believe so.

18 Q. And the same question with
19 Worldwide Analytics. Was there a written
20 contract between Integrity and Worldwide
21 Analytics?

22 A. I recall there was one.

23 Q. And do you recall the basis for
24 the compensation that was provided or the
25 payments provided to Worldwide Analytics from

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1 Integrity?

2 A. I recall also a cost plus basis.

3 Q. And was it the same cost plus 10
4 to 20 percent?

5 MS. BAKER: Again, I caution you
6 not to speculate.

7 THE WITNESS: That would be pure
8 speculation for me to answer that.

9 BY MS. WEINBERG:

10 Q. Feel free to speculate.

11 MS. BAKER: As long as the record
12 reflects that he's speculating.

13 BY MS. WEINBERG:

14 Q. It's amply clear.

15 A. I would be speculating that it's
16 probably similar.

17 Q. Okay. You know why Integrity
18 Advance ceased to use Worldwide Analytics and
19 used Clearvox?

20 A. It would have been vice versa.

21 Q. Yes. With your correction, why
22 they ceased using Clearvox and commenced using
23 Worldwide?

24 A. I don't recall the reason or
25 reasons why there was a switch.

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1 Q. Okay. Do you know if Clearvox
2 used a policy and procedure manual to train its
3 employees or for use in the call center?

4 A. I understand the question. We
5 certainly were told and led to believe that
6 procedures manuals and training manuals existed
7 at Clearvox and Centrinex.

8 Q. And who wrote that manual?

9 A. I don't know.

10 Q. Did anybody from Integrity Advance
11 write that manual?

12 A. It would not be a standard
13 practice for us to write a manual for a
14 third-party provider.

15 Q. Did Integrity Advance review the
16 manual in use at Clearvox?

17 A. I can say that myself have over
18 the years reviewed at least parts of different
19 types of manuals of third-party providers.

20 Q. Do you recall if you reviewed the
21 manuals of Clearvox?

22 A. I don't specifically recall
23 reviewing the details of those.

24 Q. Do you recall if anybody else from
25 Integrity would have reviewed Clearvox's manual?

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1 Again, I'm talking about the policy and
2 procedure manual?

3 A. I don't recall anyone reviewing
4 the policies and procedures.

5 Q. And what about the training
6 materials used by Clearvox? Do you know if
7 Clearvox had training materials for its
8 employees?

9 A. I don't know for sure, but was
10 told and it is my understanding those training
11 materials existed. I have no reason to believe
12 they didn't.

13 Q. And did anybody from Integrity
14 Advance write any part of the training materials
15 used by the Clearvox call center?

16 A. I don't know.

17 Q. Did you?

18 A. I did not.

19 Q. Are you aware of any discussions
20 between anybody in Integrity Advance about the
21 content of the training materials used at the
22 Clearvox call center?

23 MS. BAKER: To the extent you can
24 answer that without disclosing communications
25 that are protected by disclosure of

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1 attorney-client privilege, you should answer
2 Ms. Weinberg's question.

3 THE WITNESS: I would say that
4 over the years there was certainly a business
5 process where there was certainly dialogue
6 between a senior representative at a call center
7 and other members of management about certain
8 provisions of manuals and especially as laws
9 changed.

10 BY MS. WEINBERG:

11 Q. Lost change?

12 A. Laws changed.

13 Q. I'm sorry. Do you recall if any
14 of those conversations concerned Clearvox?

15 MS. BAKER: I would caution you to
16 the extent that you would have been privy to
17 those conversations in your capacity as an
18 attorney and those conversations would have been
19 protected by the attorney-client privilege,
20 which means your client in confidence would have
21 either provided you with or sought information
22 and/or you would have provided them with
23 counsel, you may not disclose that.

24 THE WITNESS: I understand. I
25 don't recall any specific conversations or

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1 dialogue with respect to Centrinex or any of
2 the -- or Clearvox or Worldwide Analytics.

3 BY MS. WEINBERG:

4 Q. I take it from your answer you
5 never spoke with anybody from Clearvox about
6 either their training materials or their
7 policies and procedures manual. Is that an
8 accurate summary?

9 A. No. That is not accurate.

10 Q. Tell me what I said wrong or what
11 I'm saying that is incorrect.

12 A. You said I never spoke to
13 Clearvox, to anyone about their policies and
14 procedures. Part of my role as -- certainly as
15 general counsel was to at least provide some
16 level of oversight and awareness on policies and
17 procedures -- some oversight as to applicable
18 laws.

19 Q. Okay. Just for clarification, you
20 were not acting at Clearvox's attorney; is that
21 correct?

22 A. That is correct.

23 Q. So could you tell me about the
24 conversations you had with Clearvox about
25 their -- either their manual -- let's start with

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1 the policies and procedures manual?

2 A. I don't recall any specific
3 conversations about a specific manual.

4 Q. Let's start with some basics.

5 A. Okay.

6 Q. Do you recall how many
7 conversations you would have had with Clearvox
8 and I'm talking about the entire time Integrity
9 Advance used Clearvox?

10 A. I cannot recall.

11 Q. More than three?

12 A. Honestly it would be totally
13 speculating.

14 Q. Do you recall the content of any
15 of those conversations?

16 MS. BAKER: With Clearvox?

17 BY MS. WEINBERG:

18 Q. With Clearvox?

19 A. I recall, and let me clarify again
20 I have some confusion overlap between Centrinex
21 and Clearvox, so I'm not sure which one, to be
22 honest, at least a conversation or conversation
23 or dialogue specifically around do not call
24 lists and what they were doing to comply with
25 the do not call laws, et cetera. That one rings

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1 a bell.

2 Q. Okay. Other than the do not call
3 compliance, do you recall any other
4 conversations you had with them? And can you
5 tell me who at Clearvox you were speaking with?

6 MS. BAKER: Are there two
7 questions pending?

8 BY MS. WEINBERG:

9 Q. Yes. There are. I apologize for
10 that.

11 Can you tell me -- go back on the
12 first question.

13 A. Fine.

14 Q. I'm going to ask the second
15 question first.

16 A. I do not recall who I spoke with
17 on those occasions talking about that.

18 Q. Okay. So now backing up to the
19 first question, which is other than the do not
20 call compliance situation, do you recall any
21 other conversations that you had with
22 Clearvox/Centrinex?

23 A. I do not recall right now any more
24 specifics. I recall for sure a messaging
25 certainly from me about how you treat the

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1 customer, especially if a payment did -- if a
2 payment got missed we are -- our entire
3 treatment was customer friendly, do not threaten
4 litigation, do not become adversarial, defaults
5 are a part of this business. It's one of the
6 reasons why the credit cost is high. And we
7 called it very much soft collections and trying
8 to treat the customer fairly.

9 Q. Okay. Now, I was asking about
10 conversations that you had with Clearvox
11 concerning their policies and procedures manual.
12 Do you recall -- other than what you've already
13 testified to, any conversations that you had
14 with Clearvox about their training materials?

15 A. No.

16 Q. Okay. Other than the policy and
17 procedures manual and training materials, do you
18 know if Clearvox used any scripts or any other
19 documents that controlled the activities of the
20 employees of Clearvox while interacting with
21 Integrity Advance customers?

22 A. I feel confident they represented
23 to us that they did.

24 Q. They did what?

25 A. Sorry. That they did use manuals

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1 and have processes and procedures for training
2 and for operating.

3 Q. Okay. But you did not personally
4 review any of those documents?

5 A. I don't recall reviewing them in
6 whole. As I said before, I recall in my brain,
7 certainly sections, but whether it was
8 Centrinex, Clearvox, or Worldwide.

9 Q. You're ruining my outline. I was
10 about to give you the same questions with
11 Worldwide?

12 A. As you can tell, I can't remember
13 the dates. They blur together a little bit, and
14 I apologize.

15 Q. Okay. Joking aside, I'm going to
16 go through these exact same questions with
17 Worldwide to see if we can establish what
18 happened with Worldwide.

19 Do you know if they had a policy
20 and procedure manual? And all these questions
21 I'm about to ask will concern the time Worldwide
22 was providing call center services to Integrity
23 Advance and all these questions concern the
24 services that Worldwide provided to Integrity
25 Advance?

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1 A. Okay.

2 MS. BAKER: So the manual question
3 would concern Worldwide's work for Integrity
4 Advance?

5 BY MS. WEINBERG:

6 Q. Correct. Is that clear?

7 A. That is clear.

8 Q. All right. So do you know if they
9 used a policy and procedures manual for their --

10 A. Again, I never physically saw it,
11 but was told of and we were certainly given the
12 impression that there was a training manual and
13 a user manual, so to speak.

14 Q. When you say you were told of it,
15 by whom were you told? Somebody at Worldwide or
16 somebody at Integrity?

17 MS. BAKER: Let me just caution
18 you. To the extent you had conversations with
19 your client at Integrity Advance in your
20 capacity as general counsel, those are
21 privileged communications. To the extent they
22 concern the request for or provision of legal
23 advice, you may not disclose the content of
24 those communications or any information that you
25 received in connection with those communications

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1 or the request for legal advice.

2 Subject to that, you should answer
3 Ms. Weinberg's questions to the best of your
4 ability.

5 THE WITNESS: Sure. I understand.
6 I think what I can say is that I personally had
7 fairly regular interaction with two members of
8 the Worldwide Analytics.

9 BY MS. WEINBERG:

10 Q. And who were they?

11 A. Jimmy Blake, B-L-A-K-E, and Cheryl
12 Scoffield.

13 Q. B-L?

14 A. B-L-A-K-E, Blake.

15 Q. And Cheryl Scoffield?

16 A. Cheryl, C-H-E-R-L-Y, Scoffield. I
17 believe that's S-C-O-F-F-I-E-L-D.

18 Q. Do you know what their positions
19 were at Worldwide?

20 A. I don't know their official
21 titles.

22 Q. For what reason did you contact or
23 speak with Jimmy Blake?

24 A. Jimmy Blake was head of what we
25 called workout, internal collections, and Cheryl

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1 Scoffield was lead person of the loan processing
2 section.

3 Q. Were these two individuals in
4 those roles for the entire times that Integrity
5 contracted with Worldwide?

6 A. I believe so.

7 Q. Okay. You said you didn't
8 personally see either the training materials or
9 policies and procedures manual for Worldwide; is
10 that correct?

11 A. That's correct.

12 Q. Do you know if anybody else at
13 Integrity reviewed those documents?

14 A. I don't know for sure.

15 Q. If it wasn't you, who would it
16 have been?

17 A. I don't know.

18 Q. Would that generally have been the
19 responsibility that would have fallen on you?

20 A. No.

21 Q. Who else would have done this sort
22 of thing?

23 A. I don't believe we had a
24 requirement that Integrity Advance had to review
25 every manual. I don't believe that was a

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1 requirement or that was anybody's
2 responsibility.

3 Q. Okay. Do you recall any
4 conversations with anyone at Worldwide about
5 their policies and procedures?

6 A. Yes.

7 MS. BAKER: I just want to give
8 you the same caution. To the extent you can
9 answer questions about conversations you had
10 with individuals who were not your client for
11 whom you were not providing legal advice, you
12 may do so, but you may not disclose information
13 or communications that you had with your client.
14 BY MS. WEINBERG:

15 Q. Were you representing Worldwide
16 Analytics?

17 A. No. I was not.

18 Q. Were you representing anybody at
19 Worldwide Analytics?

20 A. No. I was not.

21 Q. Can you tell me about any
22 conversations you had with anyone at Worldwide
23 Analytics regarding their policies and
24 procedures?

25 A. Yes.

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1 Q. Great.

2 A. Jimmy Blake interacted with me on
3 a fairly regular basis when it certainly came to
4 workouts and any customer issues that came
5 about.

6 Q. Can you define a fairly regular
7 basis? Does that mean once a week, once a
8 month? What does fairly regularly mean?

9 A. Once a week or two.

10 Q. Once every week or two?

11 A. Yeah.

12 Q. And what would generally be the
13 nature of those conversations?

14 A. There wasn't a specific say, you
15 know, written document about when things get
16 escalated to me, but just sort of over the
17 months and years of working with them they knew
18 when to escalate certain issues to my attention,
19 especially when they couldn't resolve the issue
20 with the customer.

21 Q. Generally what would be the nature
22 of those issues that they couldn't resolve and
23 had to escalate to you?

24 A. A customer who did not feel that
25 waiving their entire balance was sufficient.

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1 Q. Okay.

2 A. As a compromise to them.

3 Q. Any other types of issues?

4 A. Yes. I recall I was one of the --
5 one of the administrators on the credit card
6 portal that we used and Worldwide Analytics had
7 access to so that if a consumer called in and
8 wished to pay by credit or debit card they
9 could. So there were times I recall adding if
10 someone left the company I would keep them out
11 of the administrator. We kept tight access on
12 that so they couldn't charge credit cards. I
13 recall those conversations. Related to that
14 there were different things that you could --
15 that the interface had that you could require to
16 receive from the consumer to process it, whether
17 it was zip code or full address and we made
18 modifications to that over the months on what we
19 thought worked best with the consumers.

20 Q. Any other type of conversation
21 issues that would be elevated to you by Jimmy
22 Blake?

23 A. The only other thing I can really
24 think of at this point would be we obviously had
25 tight controls about putting money into

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1 customers accounts so that no one could --
2 within the call center could steal from the
3 company. So if there was going to be certainly
4 a refund over a certain amount, Jimmy would get
5 my approval first.

6 Q. And you said that you also had
7 conversations with Cheryl Scoffield?

8 A. Yes. Those were less frequently
9 than Jimmy.

10 Q. And how frequently would you speak
11 with Ms. Scoffield?

12 A. If I had to say on average
13 throughout the months of that relationship,
14 every other week perhaps.

15 Q. And what would be the nature of
16 those conversations?

17 A. Sometimes it would be just
18 catching up on how are things going, are leads
19 slow today? Are we buying -- you know, seeing
20 as many leads? How are the conversions -- how
21 many loans are we making? Anything. Issues
22 that are going on that we need to address or
23 talk about operationally or otherwise.

24 She from time to time I would get
25 a customer complaint, too, and that could end up

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1 to me, perhaps.

2 Q. When you said operational issues,
3 can you define what you meant by that?

4 A. Sure. If we tracked each lead
5 provider how many applications we saw versus
6 converted and if that ratios based on previous
7 history were not going where they needed to go
8 she would let me know because IT reported to me,
9 at least from 2010 on about that so we could see
10 if there was something going on with our
11 systems.

12 Q. And when you say converted you
13 mean taking an applicant into an Integrity loan
14 customer having somebody go through the process
15 of being approved?

16 A. And actually getting funded.
17 That's correct.

18 Q. So that's what converted means?

19 A. Correct.

20 Q. Any other things you discussed
21 with her on a regular basis?

22 A. I think that kind of summarizes
23 those conversations.

24 Q. Okay. Were there any other
25 documents that would have controlled the

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1 activities of call center employees dealing with
2 Integrity Advance customers other than what
3 we've already discussed?

4 A. I'm sorry. Could you repeat that.

5 Q. We talked about the policies and
6 procedures manual?

7 A. Right.

8 Q. We talked about training
9 materials?

10 A. Right.

11 Q. Am I missing anything? Any other
12 documents that would have guided the activities
13 of a call center employee dealing with an
14 Integrity Advance customer?

15 A. I can't think of any other
16 documents.

17 Q. Okay. Did Integrity Advance --
18 other than what you've already testified to in
19 terms of your conversations with different
20 employees at the call centers, did Integrity
21 Advance provide direction to the activities of
22 the call centers in any other way?

23 MS. BAKER: You're talking about
24 all the call centers?

25 BY MS. WEINBERG:

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1 Q. Yeah. Were there any other
2 general ways? And we'll break it down if there
3 are.

4 A. I would say it would be fair to
5 say yes.

6 Q. What were they?

7 A. I'm trying to think of a way I can
8 summarize it.

9 The way I would view them would be
10 a situation again where there are metrics that
11 Integrity Advance watched as a company. Those
12 were looked at daily, weekly, monthly.

13 There were fairly regular
14 interactions that in all the combinations say of
15 Jimmy, Cheryl, Jimmy, myself, and those metrics
16 were viewed and if the metrics, for instance,
17 were conversions were down we might look at some
18 processes and say is there room for improvement,
19 what do you think is causing those, and either
20 side could have come up with ideas and kind of
21 collective trying to figure out what might work
22 or solve those issues.

23 Q. You know where I'm going now.
24 What were those issues? What were the metrics?
25 I'll just have you depose yourself -- that was a

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1 joke. I'm not asking you to depose yourself.

2 A. I understand.

3 MS. BAKER: Let me just caution
4 you one more time. I think -- to the extent
5 you're having conversations with another
6 company, those are not protected from
7 disclosure.

8 To the extent these metrics or
9 anything concerning them arises in connection
10 with the provision of legal advice or receipt of
11 legal advice in your capacity as general
12 counsel, you can't obviously disclose that. I
13 want to apply that general caution to you.

14 THE WITNESS: I understand. I
15 think I can -- I'm comfortable saying that there
16 was -- I call it a dashboard that was an
17 electronic dashboard that management could
18 access that tracked really many of the things we
19 already talked about, how many leads were being
20 seen. How many leads were being purchased. How
21 many were converted. How many loans were made.
22 Default rates. I'm sorry --

23 BY MS. WEINBERG:

24 Q. So when you say there was a
25 dashboard, and you listed four things that were

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1 on this dashboard, the number of leads seen, the
2 number of leads purchased, the number of leads
3 converted into customers, and the default rate,
4 would this dashboard appear electronically to
5 Integrity Advance employees?

6 A. If we gave them access, yes. Yes.

7 Q. To whom did it appear?

8 A. I had access to the dashboard.

9 Jim Carnes had access to the dashboard.

10 Actually, I think every -- I think every
11 Integrity -- well, I'm now starting to -- again,
12 Integrity Advance technically didn't have any
13 employees. Those that were acting as or in
14 their capacity as an officer of Integrity
15 Advance would have access to that dashboard.

16 Q. Everyone doing work for Integrity
17 Advance in the Kansas City office, is that who
18 you're referring to?

19 A. Pretty much. Yes.

20 Q. Had access to the dashboard?

21 A. Correct.

22 Q. And then assuming that you saw
23 something alarming or disturbing or unexpected
24 in any of these four variables, who would be the
25 person who would speak with the call center?

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1 MS. BAKER: Can you give a
2 definition? You say alarming or disturbing, do
3 you have something specific in mind?

4 BY MS. WEINBERG:

5 Q. Let's say the number of leads seen
6 dropped. Who would be the person from Integrity
7 Advance who would call the call center? And I
8 assume this dashboard -- I shouldn't assume --
9 this dashboard -- was this dashboard in play
10 both for Clearvox and for Worldwide?

11 MS. BAKER: Are there two
12 questions pending?

13 BY MS. WEINBERG:

14 Q. One question. Was this dashboard
15 in use both during the time Integrity used
16 Clearvox and the time that it used Worldwide?

17 A. It was definitely -- the one I'm
18 envisioning was definitely in place with
19 Worldwide. I do not recall what version or if
20 any was in place when Integrity used Clearvox.

21 Q. And if something other than -- if
22 there was any change in expected numbers in any
23 of these four variables, who from Integrity
24 Advance would contact somebody at Worldwide or
25 Clearvox?

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1 A. I think that could vary depending
2 on what type of an issue or who sees it first,
3 so to speak.

4 MS. BAKER: Could we take a
5 five-minute break? I don't want to interrupt if
6 you want to ask your next question.

7 BY MS. WEINBERG:

8 Q. Let me finish this.

9 MS. BAKER: That's fine.

10 BY MS. WEINBERG:

11 Q. Who were the potential people at
12 Integrity who would talk to somebody at
13 Worldwide, depending upon if somebody saw
14 something, could it be anybody on the org chart
15 that we reviewed earlier?

16 A. Potentially it could be on
17 Exhibit 1.

18 MS. WEINBERG: All right. We can
19 go off the record for five.

20 (A brief recess was taken.)

21 BY MS. WEINBERG:

22 Q. Just to orient you, I'm now going
23 to ask you the same questions about IFP,
24 Integrity Financial Partners. Can I call them
25 IFP to save a millisecond here?

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1 A. Yes.

2 Q. Do you know -- you said -- you
3 testified previously, if I'm recollecting
4 correctly, that Integrity used IFP for their
5 debt collection from 2008 to 2012; is that
6 correct?

7 A. Integrity Advance had a contract
8 with Integrity Advance Partners for certain
9 third-party collection services. I believe late
10 2008, early 2009, into sometime in 2010 is what
11 I recall.

12 Q. Are you testifying that you
13 stopped using them in 2010?

14 A. Sorry. 2012.

15 Q. Okay. Sorry.

16 A. I apologize.

17 Q. That's all right. I just got
18 confused.

19 A. Either my recollection, just to
20 clarify, that Integrity Advance contracted with
21 Integrity Financial Partners in either 2008 or
22 2009 for third-party collection services and
23 that continued, my recollection is sometime
24 through 2012.

25 Q. Okay. And what services did

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1 Integrity Advance contract with IFP for?

2 A. I would couch them as third-party
3 debt collections.

4 Q. And what was the nature of the
5 debt that IFP was supposed to collect on?

6 A. Sure. I would describe that as
7 loans that went past due a certain number of
8 days were then worked by IFP.

9 Q. And how past due did they have to
10 be?

11 A. I believe that ranged between 60
12 and 90 days.

13 Q. And at 60 to 90 days would they be
14 transferred for collection to IFP or they worked
15 them during the 60 to 90 day period? I'm
16 confused.

17 A. Sure. I'll clarify. After a loan
18 had been so-called worked internally with
19 Integrity Advance they were shipped out, for
20 lack of a better word, to Integrity Financial
21 Partners to be worked on a go forward basis.

22 Q. They would be worked internally
23 from the past due date up to 60 to 90 days
24 internally and then transferred externally to
25 IFP. Would that be a correct statement?

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1 A. That would be correct. To
2 clarify, when I say transferred, the debt was
3 never sold. They were the primary or
4 responsible party to work the debt.

5 MS. WEINBERG: Okay.

6 MS. BAKER: When you use the word
7 internally, what is it you mean? I want to make
8 sure we're talking about the same word here, the
9 same concept. Either of you, I want to have a
10 clear record.

11 THE WITNESS: I think I may have
12 used that. I would distinguish internally as
13 first-party collections. Once it gets to IFP
14 it's third-party collections.

15 BY MS. WEINBERG:

16 Q. Okay. The initial internal, as
17 we're using the word, would be done by the call
18 center?

19 A. The call center at the time
20 Worldwide analytics, Clearvox or Centrinex, I
21 know I shouldn't confuse those.

22 Q. For this record, they're the same.
23 So did IFP have a policies and
24 procedures manual that it used to -- for -- to
25 control the activities of the employees who were

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1 conducting collection activities on behalf of
2 Integrity Advance?

3 A. I feel confident that they did.

4 Q. Do you know who wrote that manual?

5 A. I do not know who wrote the
6 manual.

7 Q. Would it be somebody at IFP or
8 somebody at Integrity?

9 A. Somebody at IFP.

10 Q. Did anybody at Integrity review
11 the IFP manual?

12 A. I don't have any recollection of
13 that.

14 Q. Did you ever review it?

15 A. I don't recall ever reviewing it.

16 Q. Did IFP have training materials
17 that they used?

18 A. I believe -- I have confidence
19 that they did.

20 Q. And did you look at them?

21 A. I did not.

22 Q. Was it somebody at IFP or somebody
23 at Integrity?

24 A. Somebody at IFP.

25 Q. Are you aware if anybody at

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1 Integrity Advance reviewed those materials?

2 A. I am not aware of anybody at

3 Integrity Advance reviewing any of IFP's

4 training materials.

5 Q. Did you review them?

6 A. I did not.

7 Q. What was the basis of the

8 compensation or the payments made to IFP for

9 their services?

10 A. I'm pausing because I think they

11 may have changed at some point in the

12 relationship and I don't recall when or if so.

13 There was certainly an arrangement at some point

14 from IFP received a percentage of each dollar

15 for the accounts that were placed with them.

16 That's the terminology in the business.

17 Q. And you said that was at some

18 point during your --

19 A. That's my recollection, sometime

20 while with Integrity Advance.

21 Q. And do you know if that changed

22 over time so at one point included a percentage

23 and one point it didn't or did the percentage

24 change or --

25 A. I hate speculating, but I recall a

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1 changing to a cost plus basis instead of a
2 percentage, but I do want to -- I don't want to
3 speculate.

4 MS. BAKER: Don't speculate.

5 BY MS. WEINBERG:

6 Q. And during the time that it was a
7 percentage of the amount collected, do you
8 recall what percentage that was?

9 A. I don't know the exact percentage.

10 Q. Was it like 20 percent,
11 50 percent?

12 A. My recollection is below market.

13 Q. What would market have been?

14 A. I would say market would have been
15 around 30 percent.

16 Q. So it was less than 30 percent?

17 A. That's my recollection.

18 Q. More than 25?

19 A. I would honestly be speculating.

20 I don't know.

21 Q. Do you know how long the basis of
22 their -- the payments made by Integrity were
23 based on the amount of the percentage collected?

24 A. I do not.

25 Q. Would it have been for more than a

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1 year?

2 A. I really don't know.

3 Q. Okay. And when it changed to cost
4 plus, a margin, which you testified it did at
5 some point; is that correct?

6 A. I believe it did.

7 Q. Did their compensation include any
8 performance based metrics?

9 A. I don't believe so.

10 Q. So it was simply cost plus?

11 A. That's my recollection.

12 Q. Okay. Going backwards a little
13 bit. Do you know how the employees at, let's
14 start with Clearvox, first, who were interacting
15 with potential or actual Integrity Advance
16 customers were vetted for their employment by
17 Clearvox?

18 A. I do not know for sure how they
19 were vetted.

20 Q. Okay. Did Integrity have any
21 input in their criteria for hiring?

22 A. No. Other than I recall in our
23 contracts having at least minimum standards such
24 as requiring background -- criminal background
25 checks. Beyond that, I don't recall.

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1 Q. Okay. And the same question for
2 Worldwide?

3 MS. BAKER: When you say criteria
4 for hiring, you mean hiring employees who
5 serviced Integrity Advance or hiring employees,
6 period?

7 BY MS. WEINBERG:

8 Q. The question was employees who
9 were going to be interacting either with
10 Integrity Advance potential customers or actual
11 customers?

12 MS. BAKER: Okay.

13 THE WITNESS: My answer remains
14 the same.

15 BY MS. WEINBERG:

16 Q. For Worldwide, Clearvox, or IFP?

17 A. Yes, but my recollection is there
18 were at minimum a requirement of criminal
19 background checks on all employees that would be
20 working on Integrity Advance customers or
21 potential customers.

22 Q. Do you recall any other criterion
23 for any of the three that we are talking about,
24 Clearvox, Worldwide, and IFP?

25 A. I do not.

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1 Q. Okay. Starting with Clearvox, do
2 you know how the employees, and when I say
3 employees I'm always going to be referring to
4 Clearvox employees who dealt with Integrity
5 Advance potential or actual customers. Can I
6 just use the word employees?

7 A. I do understand.

8 Q. So do you know the basis for the
9 compensation of the Clearvox employees?

10 A. I do not have actual knowledge.

11 Q. Okay. What about for Worldwide?

12 A. No. I don't know.

13 Q. IFP?

14 A. I do not know.

15 Q. Okay. Do you know if there were
16 bonuses or commissions related to the
17 performance of these employees at any of the
18 three?

19 A. I do not know for any of the
20 three.

21 Q. What about performance standards
22 at any of the three?

23 A. I feel confident that at the call
24 centers, referring to Clearvox, Centrinex and
25 Worldwide, that there were some internal metrics

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1 used, not necessarily specific to Integrity
2 Advance, but I don't know what those are.

3 Q. Could Integrity have imposed any
4 performance standards on any of those employees
5 or would that have been within the purview of
6 the call centers themselves?

7 A. That would be solely within the
8 purview of the call centers themselves.

9 Q. And could Integrity have
10 controlled the basis of the compensation for any
11 of the three call centers; Clearvox, Worldwide,
12 IFP, or would that have been within the purview
13 solely of the three companies?

14 A. Compensation of their employees
15 would have been solely in the purview of those
16 three companies.

17 Q. Were you involved in the hiring or
18 firing decisions for any of those entities,
19 terminating employees, those who were dealing
20 with Integrity potential or actual customers.

21 A. Never involved with the process,
22 just informed of things that occurred.

23 Q. Okay. I want to make sure that I
24 understand exactly what the call centers did.
25 Let's dig down a little bit more.

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1 A. Okay.

2 MS. BAKER: Let me ask for a point
3 of clarification before you have a question
4 pending. You say you involved in the process,
5 do you mean you Mr. Foster or you Integrity
6 Advance?

7 MS. WEINBERG: Integrity Advance.

8 MS. BAKER: Okay. Can we have the
9 record reflect that for the prior questions?

10 MS. WEINBERG: Yes.

11 MS. BAKER: Thank you. Let me --
12 one more follow up. Does that change your
13 answer, now that you have that clarification.

14 THE WITNESS: Not to the extent --

15 MS. BAKER: Okay. Okay.

16 BY MS. WEINBERG:

17 Q. Did the call centers, and now I'm
18 just talking about the two, Worldwide and
19 Clearvox, were they the ones that handled the
20 initial interactions with potential customers of
21 Integrity?

22 A. Yes.

23 Q. And are they the ones who would
24 generate the applications and the loan documents
25 to the potential customers or the actual

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1 customers?

2 A. No.

3 Q. How did that happen?

4 A. Both the applications and the
5 documents that made up the loan agreement, et
6 cetera, were generated electronically and
7 automatically from a system.

8 Q. And who controlled that system?

9 A. During Integrity Advance's --
10 Integrity Advance controlled the system.

11 Q. And would the applications and the
12 loan documents come solely from this automated
13 system or were there other ways they could also
14 come to a potential or actual customer?

15 A. There were -- there was a standard
16 practice in most -- the way most common is that
17 they're auto generated. There was a way within
18 the systems to print off or pdf documents to
19 the -- to a customer if requested.

20 Q. And could the call centers issue
21 new loan documents? Let's take a scenario just
22 to make this a little bit more concrete.

23 A. Okay.

24 Q. A potential customer applies
25 on-line and receives -- first of all, how does

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1 this happen? How do they receive the
2 application and loan doc? Is that simply
3 on-line or is that an e-mail?

4 A. You're referring to the
5 third-party call center?

6 Q. No. A consumer is sitting at his
7 or her computer. They, I think as you described
8 before during Mr. Wheeler's questions, they are
9 routed from a lead generator to Integrity
10 Advance and then there's some sort of back door
11 vetting, if that's correct, to see if the person
12 qualifies and then documents would be sent to
13 the potential customer; is that accurate?

14 A. I'll clarify a little.
15 The way -- there's -- there's a
16 certain process -- point in the process of
17 Integrity Advance that it doesn't -- it's
18 indistinguishable, for lack of a better word, of
19 whether it came from a lead provider versus the
20 website.

21 Q. Uh-huh.

22 A. But if I'm a consumer, if I came
23 directly to an Integrity Advance website, no
24 matter how I got there, I saw the Integrity
25 Advance application and filled that out and it

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1 was directly then in the Integrity Advance
2 system. If it's a lead provider that consumer
3 is filling out an application and then that
4 application data is being presented to Integrity
5 Advance for review. At that point once the
6 information is in our -- in Integrity Advance's
7 system it's pretty much treated the same. I
8 just wanted to clarify you asked for the
9 consumer, how they are interacting.

10 Q. Let's just take the scenario you
11 just described and take it to the next step.

12 The information provided by the
13 consumer is vetted by Integrity Advance. The
14 application information?

15 A. Correct.

16 Q. And at that point if the consumer
17 is approved as a potential customer, what
18 happens next in the process?

19 A. So if the -- sorry.

20 So depending on whether the
21 application is partially or provisionally
22 approved versus fully completed, regardless,
23 within the loan management system is what we
24 call the software platform there would be a --
25 an application number and there's a screen that

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1 the representatives would pull up to see that
2 there's a pending application.

3 Q. And let's assume just for the
4 purposes of this discussion that the application
5 is perfect and it's approved. What's the next
6 thing that happens? What's the next thing the
7 consumer sees?

8 MS. BAKER: You say perfect, you
9 mean complete?

10 BY MS. WEINBERG:

11 Q. It's complete and it's an
12 approved -- the person meets the criterion that
13 Integrity has set for a potential customer?

14 A. And I would assume they've
15 signed -- the signatures.

16 Q. They signed the application?

17 A. Right.

18 Q. They signed the application. They
19 gave the information that you testified to
20 before, which if I'm correct, tell me if I'm
21 wrong. It was name, address, military status,
22 some employment information, and I guess banking
23 information; is that correct?

24 A. That's at least some of it. Yes.

25 Q. Okay. So they have filled out

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1 that information on the application?

2 A. Okay.

3 Q. They have -- they have met your
4 minimum criterion, yours meaning Integrity's,
5 minimum criterion and you have, therefore,
6 decided to offer them a loan; okay?

7 A. So whether you're fully approved
8 or provisionally approved, my recollection is
9 that everyone -- every consumer whether approved
10 provisional or not is going to receive a message
11 that says you've been provisionally approved and
12 maybe subject to additional underwriting or
13 verification.

14 Q. Okay. Pretend I'm a customer.
15 When do I get the money?

16 A. Okay.

17 Q. When does a consumer who has
18 applied through this process get the money?

19 A. Understood. If there are no other
20 need for additional follow up or verifications,
21 et cetera, or there is, but that's completed by
22 I believe the cut off was 6:00 p.m. Eastern time
23 and approved, the customer would typically
24 receive their funds on the next business day.

25 Q. Okay. And then when do they get

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1 the actual loan documents?

2 A. Immediately.

3 Q. When in this process we've been
4 talking about?

5 A. Sure. That they've been signed.
6 They obviously saw the documents on the screen
7 and signed them and they were already populated
8 with all their information by the time they see
9 the documents. They've seen them immediately.

10 Q. Do they see the loan documents at
11 the same time that they see the application?

12 A. No. Afterwards.

13 Q. Will you walk me through the
14 timing on the application versus the loan
15 documents?

16 A. Sure. They're sequential. So a
17 consumer is going to be presented with --
18 honestly, I'm guessing, several screens, maybe
19 more than that, of information that constitutes
20 the application and then it populates -- then
21 they're presented with the actual loan
22 agreements based on that information.

23 Q. At the exact same time?

24 A. Right afterwards.

25 Q. Does Integrity Advance review

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1 their information in between them filling out
2 the application and then receiving?

3 A. Yes. Yes. I mean seconds.

4 Q. So there is -- they fill in the
5 application. Seconds go by and then they see
6 the loan agreement?

7 A. If they've been provisionally
8 approved. Yes.

9 Q. If they've been provisionally
10 approved?

11 A. Correct.

12 Q. And we were actually going to
13 go -- try and go through this.

14 I know that you testified that
15 they sign in six to nine places on the
16 application?

17 A. That would be the -- let me
18 clarify.

19 Once the application is completed
20 it is also presented to them -- sorry, to a
21 consumer as part of the overall line agreement.
22 We would refer to that as a loan agreement which
23 had the application information that the
24 consumer presented to us, as well as then the
25 note with the TILA, T-I-L-A, an arbitration --

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1 arbitration, the set of documents that were
2 referred to as the loan agreement. And then
3 they would have to go through various places and
4 sign or agree to those documents.

5 Q. So how many places are they
6 signing on the application?

7 A. Application would be three or four
8 click-throughs as the screens are presented to
9 them.

10 Q. Can you walk me through what those
11 screens are?

12 A. Not off the top of my head, to be
13 honest.

14 MS. WEINBERG: Okay. Let's see if
15 this will help. I'm going to show you a
16 completed application that hopefully will help
17 guide this discussion.

18 (Exhibit Number 13 was marked for
19 identification.)

20 BY MS. WEINBERG:

21 Q. Bates stamped 27472 through 27478.
22 Do you recognize this document?

23 A. This appears to be a loan
24 agreement of Integrity Advance's.

25 Q. All right. You said -- would it

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1 be accurate to say that the application portion
2 of this starts at the top of 27472 and goes up
3 to the bottom of that page until it reaches the
4 words loan agreement form number 2 and then it
5 has a loan number?

6 A. I would say that's how the
7 document presents itself, yes.

8 Q. And is this what the consumer sees
9 on-line, all of that text on the part of page
10 we've just been referring to?

11 A. Absolutely.

12 Q. Okay. When you said there's
13 several screens, what did you mean?

14 A. Sure. So the initial, for lack of
15 a better word, application, is merely a series
16 of screen -- pop up screens to collect the data.
17 What is your name. What is your address. Once
18 the questions on each screen are answered
19 there's a way to click through the next screen
20 to collect all the relevant data to make a
21 decision; okay.

22 And once the consumer gets to the
23 end of that, if all the information is complete
24 enough to be able to make a decision, and then
25 it goes through a behind the scenes process of

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1 approval and they're approved, then another --
2 that's when this document is presented to them
3 on the screen that they can flow through it and
4 then sign.

5 Q. When you say this document, you're
6 referring to Exhibit 13?

7 A. Correct.

8 Q. So this entire thing that is
9 Exhibit 13 is what appears to them?

10 A. This appears to be a complete
11 printout of the information presented to a
12 consumer once at least provisionally approved
13 for a loan.

14 Q. And does it appear in this same
15 font and format as in this document?

16 MS. BAKER: Does what appear? You
17 mean on-line versus the paper?

18 BY MS. WEINBERG:

19 Q. He said they're looking -- the
20 consumer is looking at what has been marked as
21 Exhibit 13, they're looking at this once they've
22 been provisionally approved.

23 So my question is, when they're
24 seeing that on-line are they seeing a document
25 that is in the same font and format or is it in

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1 a different format?

2 A. I don't know for sure, but I would
3 certainly say that the font is certainly not any
4 smaller than the font that appears here. The
5 other difference would be that in the on-line
6 there would be, for lack of a better word,
7 breaks or areas where the consumer must in
8 essence scroll down and stop there to sign and
9 that was all done in a way to assess that the
10 consumer has actually reviewed all aspects of
11 the agreement because there are many places they
12 must stop and sign or initial the agreement.

13 Q. Can you go through this document
14 and tell me where the places they had to sign
15 would have been?

16 A. Not for sure off the top of my
17 head.

18 Q. Can you tell me any of the places
19 they would have had to sign on this document?

20 A. Well, I can say for sure certainly
21 at the very end, which is where the actual
22 signature is --

23 Q. You're referring to 27478 at the
24 very bottom of the page?

25 A. Yes. Thank you. Page 27478

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1 there's a signature block.

2 Q. Okay.

3 A. I'm referring to that.

4 Q. So the consumer has to sign there?

5 A. I also am confident that the --
6 this covered bar identification statement, which
7 the military requires an additional check or
8 initial.

9 Q. And you're referring to the first
10 page of this document, which is 27472?

11 A. Correct.

12 Q. The middle of the document in what
13 we've referred to already as the application
14 section where it says covered borrower
15 identification statement?

16 A. That is correct. I'm referring to
17 that section.

18 Q. You're saying there would have
19 been a signature required at that point? Is
20 that --

21 A. A signature or initial or I
22 accept. Some positive assertion that the
23 customer must make with respect to that section.

24 Q. Could the customer agree to this
25 by clicking through to the next section?

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1 A. Well, it is -- I mean, by
2 definition an E-signature is a click.

3 Q. My question is, sometimes if you
4 scroll from one page to the next a document can
5 auto populate with a signature. Other times you
6 have to -- a consumer has to demonstrate his or
7 her consent in different ways, either by, you
8 know, by just clicking I agree, or typing in
9 their name, or typing -- typing in their
10 initials. I think there's lots of different
11 ways it can potentially happen. So I'm asking
12 how did a consumer specifically have to
13 demonstrate his or her consent to that portion
14 that we've been discussing on page 1, which is
15 27472?

16 A. I don't recall specifically on
17 that and I believe it may have even modified
18 over time exactly how Integrity Advance thought
19 was the best way to acknowledge that.

20 Q. So it would have gone from what to
21 what, in your recollection?

22 A. I don't recall the I accept versus
23 I put my initials here as a consumer.

24 Q. Do you know, did the consumer
25 actually have to type his or her name into any

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1 of these?

2 A. I feel confident that the very
3 last signature on page 27478 had to be a type in
4 from the consumer.

5 Q. So that would not be auto
6 populated?

7 A. I don't believe so.

8 Q. Are there any other places they
9 had to type in their name here?

10 MS. BAKER: Talking about here?

11 BY MS. WEINBERG:

12 Q. The entire agreement of loan
13 agreement 2 starts at 27472 and goes to 27478?

14 MS. BAKER: Looking at the paper
15 version?

16 BY MS. WEINBERG:

17 Q. I'm trying to have Mr. Foster help
18 me with what it would look like to a consumer
19 on-line. We don't have a website to go to now,
20 which would be best, so all we have is a paper
21 document?

22 MS. BAKER: Okay.

23 THE WITNESS: You were asking me
24 about typing in for signature or just in
25 general?

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1 BY MS. WEINBERG:

2 Q. Are there any -- you've testified
3 that the consumer had to enter his or her
4 signature in six to nine places?

5 A. Yes.

6 Q. So I'm trying to figure out what
7 that means. Did they have to -- there's two
8 things I'm trying to get, just to give you my
9 game plan. Trying to figure out where it is in
10 this document and what they had to do. So --

11 A. Understood.

12 Q. In this specific representation of
13 the on-line application and loan agreements
14 agreed to, from my looking at the -- the only
15 appearance of a signature is at the very end. I
16 do not see -- I say that. I'm looking at 27475?

17 A. The honest answer, I very rarely
18 looked at a printed verification of a loan
19 because it was done on-line.

20 Q. Okay. I think we established you
21 don't know other places where they had to sign;
22 is that correct?

23 A. No. I can't specify in this
24 document where the breaks were, the requirements
25 were, but I feel confident that a consumer had

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1 to agree to, accept, or otherwise put a
2 signature or some indication that they read and
3 understood at least this section and the entire
4 agreement, six to nine different places.

5 Q. And do you remember what any of
6 those places were, other than the bottom, which
7 we talked about?

8 A. I believe the covered borrower at
9 the location statement.

10 I feel confident on page 27475.

11 Q. Where it says signature?

12 A. Yes. And after right to cancel.
13 Yes.

14 Q. Okay.

15 A. Then I feel confident that
16 somewhere on 27476 the ACH authorization.

17 Q. Okay.

18 A. Beyond that, I would be
19 speculating as to where else those actual
20 requirements were.

21 Q. Did they have to sign on the
22 arbitration?

23 A. I think so, but I'm not
24 100 percent sure.

25 Q. Okay. And can you testify with

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1 any more precision about the type of consent
2 they had to give at each of those places?

3 This is back to my previous
4 question. How they demonstrated their consent
5 on-line?

6 MS. BAKER: Can you be more
7 specific?

8 BY MS. WEINBERG:

9 Q. What I said before was sometimes
10 consumers would have to write in their entire
11 name and type it out. Other times clicking
12 through would demonstrate their consent. There
13 are lots of different ways electronically that
14 consent can be demonstrated and I'm just trying
15 to go through here and figure out or ask
16 Mr. Foster if he can tell me electronically what
17 he had to do. Is that a clear question?

18 A. I understand what you're asking.
19 I feel confident that the last and final
20 signature such as the one on page Bates stamped
21 27478 for Integrity Advance always required a
22 type in -- the consumer to type in the name and
23 date and hit I agree or I accept button.

24 Q. Is there anywhere else that they
25 have to type in their name on a loan document,

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1 not on the application?

2 A. I can't say for certain.

3 Q. Were there other mechanisms to
4 demonstrate consent such as the ones I listed as
5 potential mechanisms?

6 A. Yes. Specifically which was used
7 for which sections and for what time periods I
8 can't recall, but it would have been a positive
9 assertion whether it's a click to I agree or I
10 initial or I accept this specific provision.
11 That would have been, to my recollection, one of
12 those methods would have been used to obtain the
13 so-called E-signature.

14 Q. One of them being any of the ones
15 I said or clicking I agree?

16 A. Clicking I agree or clicking an I
17 accept or potentially entering initials and
18 hitting an I accept or I agree button.

19 Q. Okay. This is actually a big
20 detour. I was talking about the functions of
21 the call center days ago?

22 A. Understood.

23 Q. So the last question I asked you
24 in that previous line of questioning was whether
25 the call centers generated applications and loan

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1 documents and then we started talking about for
2 the last however long that's been.

3 A. Yes.

4 Q. So let me go back now to what the
5 call centers did.

6 Did they generate text messages to
7 consumers?

8 A. I believe so.

9 Q. Did they generate e-mails to
10 consumers?

11 A. Let me restate that both e-mail
12 and text generation, I believe the call center
13 could manually do both, but they also, I
14 believe, were auto generated upon certain
15 occurrences or things that occurred.

16 Q. Such as?

17 A. I believe if an application came
18 in that was not complete there was an auto
19 e-mail that went out saying some kind of message
20 about thank you for your application, there's
21 some items that need to be completed, please
22 click here to go to your application. Those
23 types of communications.

24 Q. And would there be auto messages
25 that appeared later in the relationship between

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1 the customer and Integrity Advance?

2 A. Yes.

3 Q. When?

4 A. That may have varied throughout
5 the course of Integrity Advance existence, but
6 there were always e-mails, reminders about a
7 customer's upcoming loan due date, what was
8 owed, what the options were to either pay in
9 full, pay down in part, or depending on where
10 they were in the process on compliance with the
11 Delaware statutes, potentially roll it over, so
12 to speak, without any payment. Those three
13 options are what I can think of or prepay.

14 Q. Any other auto messages?

15 A. Yes. There are.

16 Q. Do you want to clue me in on any
17 of them?

18 MS. BAKER: I caution you about
19 guessing or speculating.

20 THE WITNESS: I understand. I
21 recall an e-mail though when payment was
22 received, a thank you that your payment has been
23 posted in this amount. Similarly, if a payment
24 bounced, an e-mail saying to make your payment
25 in the amount of X returned, something along

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1 those lines.

2 If they -- another big one for
3 someone whose application was rejected, they got
4 the standard adverse action letter in an e-mail.

5 Those are the ones I can think of
6 at this point.

7 BY MS. WEINBERG:

8 Q. Okay. Was it the function of the
9 call centers and, again, I'm talking about
10 Clearvox, whatever name you used, as well as
11 Worldwide?

12 A. Okay.

13 Q. Was it a function of the call
14 center to field questions from consumers over
15 the phone?

16 A. I would say for all with respect
17 to Integrity Advance relationship with all three
18 of those, yes. All three of those call centers.

19 Q. Okay. And when consumers had
20 complaints would they also call the call center
21 numbers?

22 A. They could.

23 Q. Was there another number for them
24 to call?

25 A. I recall a way -- you know, I

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1 would be speculating.

2 Q. Feel free to speculate.

3 A. No. I mean, I don't know of
4 another number.

5 Q. So the only number you're aware of
6 for consumers to call was a number where they
7 would end up talking to somebody at a call
8 center, either Clearvox or Worldwide?

9 A. Correct.

10 Q. And if they chose to mail the old
11 fashioned way a complaint would the address send
12 that complaint to a call center?

13 A. No. That -- the address listed on
14 the loan agreement was an address 300 Creek View
15 Road for Integrity Advance in Delaware and that
16 is the location where mail was sent and picked
17 up by -- referring back to Exhibit 1, George
18 Davis listed on there, who is an employee of
19 Integrity Advance and was officed.

20 Q. And what did he do with any
21 written complaints he received?

22 A. It was -- the procedure that he
23 would in essence get them to the right place, so
24 to speak, whether that be the collections or the
25 customer service or legal and myself, depending

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1 on the nature of it.

2 Q. And what type of complaints would
3 be elevated to Integrity Advance, meaning you or
4 somebody in the Kansas City office other than a
5 call center, either IFP or Clearvox, Worldwide?

6 A. I understand the question. Let me
7 think about how I can best summarize that
8 because there wasn't an official process or
9 procedure documented or written out on that.

10 MS. BAKER: Let me just give you
11 one word of caution. To the extent any of this
12 implicates attorney-client privileged
13 communications, you obviously can't disclose
14 those communications or communications received
15 in connection with legal advice.

16 THE WITNESS: Right. I think a
17 fair description would be that the two senior
18 people at -- specifically at Worldwide, but
19 whoever the senior folks at the call center were
20 empowered to make the customer happy and resolve
21 any concerns or complaints, certainly up through
22 waiving their entire balance owed. And I would
23 just generally couch it that if anything was
24 required beyond that or if it entailed --
25 obviously if somebody got a lawyer or said they

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1 had a lawyer, those would be the kind of things
2 that would be escalated up to Integrity Advance
3 office.

4 BY MS. WEINBERG:

5 Q. Would it be fair to say that most
6 of the complaints were handled by the call
7 centers themselves rather than from people in
8 the Kansas City office of Integrity?

9 A. Not again to be too detailed, the
10 definition of a complaint is pretty wide open.
11 I would say it's very accurate that the vast
12 majority of customer concerns were addressed at
13 the call center level.

14 Q. And what percentage of customer
15 concerns would you say were elevated to you or
16 somebody in Kansas City?

17 A. I would be speculating, but I feel
18 confident, less than 5 percent, maybe less than
19 1 percent.

20 Q. So just sort of summarize what
21 you've been talking about in terms of call
22 center activities. Would it be fair to say all
23 of the consumer's direct contact with a person
24 who was working on behalf of Integrity Advance
25 would have been through the call centers rather

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1 than through somebody in Kansas City?

2 MS. BAKER: I'm sorry. Could you
3 repeat that question please, could you read it
4 back?

5 (The record was read as
6 requested.)

7 THE WITNESS: For the record, I'm
8 reviewing Exhibit 1, reporting structure.

9 Well, I wouldn't say that is
10 accurate because George Davis, for instance, did
11 not work for any of the call centers, he worked
12 for Integrity direct. He did have direct
13 contact with consumers on a regular basis.

14 BY MS. WEINBERG:

15 Q. For the record, George Davis
16 managed the brick and mortars outlet for
17 Integrity Advance loans. So people could walk
18 in the door rather than apply over the Internet?

19 A. That was one of the purposes of
20 that office. That was actually the lender
21 location in the Delaware license.

22 Q. Putting aside the face to face
23 interactions or people walking into the Delaware
24 office?

25 A. Okay.

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1 Q. You also testified the written
2 complaints could go to the Delaware office where
3 George Davis was working?

4 A. Correct.

5 Q. Would all of the other direct
6 interactions between the consumer who was a
7 potential or actual customer of Integrity
8 Advance and a person be with a person at a call
9 center?

10 A. No. George Davis would have had
11 interaction.

12 Q. Other than George, who handled the
13 written complaints and also the Delaware loans
14 for Delaware residents?

15 A. He also would receive complaints
16 for -- it didn't matter where they were
17 necessarily from. If they were on-line they
18 could have gotten to him too and sometimes would
19 have.

20 Q. You testified it was the office
21 where George Davis was physically located in
22 Delaware that was used as the location for
23 written correspondence that went through the
24 U.S. mail; is that correct?

25 A. That was one of the purposes of

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1 that office. Yes.

2 Q. So other than somebody writing a
3 complaint and directing it to that office, how
4 is it that a consumer who was not a Delaware
5 resident end up talking to George Davis?

6 A. Now that you put it that way, I
7 now recall him having a phone number he could be
8 reached at, as well.

9 Q. Did consumers who were not
10 Delaware residents call him?

11 A. Absolutely.

12 Q. Okay. And what percentage of the
13 consumers who had concerns would call him rather
14 than a call center?

15 A. I have no idea.

16 Q. And would he direct any of those
17 consumers to the call center numbers or would he
18 handle those concerns himself?

19 A. I think he would do some of both.

20 Q. And can you estimate what
21 percentage he would deal with himself rather
22 than refer back to a call center?

23 A. I have no idea.

24 Q. Okay. Did any of the call
25 centers, and by that I mean the three we've been

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1 talking about, they include Worldwide, Clearvox,
2 and IFP, did any of those centers make
3 recordings of their calls with consumers?

4 A. I don't know for sure. I don't
5 know for sure.

6 Q. What do you know?

7 MS. BAKER: About what?

8 THE WITNESS: Let me just figure
9 out how to best summarize this again, because
10 there were three different.

11 That -- my recollection is that at
12 one point either Centrinex or Clearvox told us
13 they were recording certain phone calls for
14 quality assurance purposes. Beyond that, I have
15 no knowledge.

16 BY MS. WEINBERG:

17 Q. So Clearvox is the only one that
18 you're aware of that --

19 A. Clearvox or Centrinex.

20 Q. Okay. And did anyone from
21 Integrity Advance ever listen to those calls?

22 A. Not that I'm aware of.

23 Q. Did you or anyone from Integrity
24 Advance listen in on any live calls at any of
25 the call centers, the three we're talking about?

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1 A. I don't recall that.

2 Q. Meaning you don't think it
3 happened?

4 A. Correct.

5 Q. The call centers kept notes of the
6 calls that they had with consumers; is that an
7 accurate statement?

8 A. The only notes that I'm aware of
9 that any of the call centers were entitled to
10 keep were notes that were placed into the -- the
11 loan management system themselves.

12 Q. And Integrity Advance produced a
13 number of documents that included notes on
14 interactions between call centers and consumers;
15 is that right?

16 A. I did not review the production of
17 that.

18 Q. Okay. Let me just show you.

19 (Exhibit Number 14 was marked for
20 identification.)

21 MS. WEINBERG: I'm showing you
22 what has now been marked Exhibit 14, which is
23 Integrity 1540 through Integrity 1543. Do you
24 recognize this document?

25 THE WITNESS: I do not recognize

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1 this document.

2 BY MS. WEINBERG:

3 Q. Have you ever seen any document
4 like this?

5 MS. BAKER: I'm not sure what you
6 mean by that.

7 MS. WEINBERG: A document that
8 appears to contain notes about conversations
9 with an Integrity Advance customer.

10 THE WITNESS: I would say that I
11 have seen electronic presentations of customer
12 notes that look very similar to this.

13 BY MS. WEINBERG:

14 Q. And are those notes produced by
15 the call centers?

16 A. When you refer to those notes,
17 referring to the notes that are in these notes
18 or the notes that are in the system?

19 Q. The notes that are in this
20 document. Do they reflect activities of a call
21 center employee?

22 A. Without -- I don't know the true
23 source of this document. It appears to be a
24 printout of the note sections in the loan
25 management system.

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1 Q. And who populated information in
2 the loan management system regarding contact
3 with consumers, meaning potential or actual
4 customers of Integrity Advance?

5 A. Sure. The standard practice would
6 be for customer service representatives, whether
7 on the collection side or loan processing side,
8 to populate the notes when they had interaction
9 with the customer, but anyone that had access to
10 the system could and would have the ability to
11 populate it, but the vast majority of the time
12 would be the customer service representatives.

13 Q. And if it wasn't the customer
14 service representatives, I assume you're talking
15 about the people in the three call centers we're
16 talking about, who else would it have been?

17 A. Surely. George Davis. Although
18 rare, I believe I put a note or two in over the
19 years. I believe finance from time to time,
20 although rare.

21 Q. And did you review the notes of
22 these calls as part of your duties at Integrity
23 Advance?

24 A. Not on a regular basis.

25 Q. Did anybody from Integrity review

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1 the notes on these calls on a regular basis as
2 part of their duties?

3 A. No.

4 Q. On the last page of this document,
5 1543?

6 A. I would like to amend my last
7 answer. If there was an issue with a consumer
8 it was a standard practice for Jimmy Blake or
9 Cheryl Scoffield to go back and review the notes
10 of the consumer. Just to clarify that.

11 Q. Obviously that would have been
12 during the time Worldwide was under contract
13 with Integrity?

14 A. Correct.

15 Q. And there was someone similarly at
16 Clearvox or Centrinex that had the same duties?

17 A. Correct. Thank you for that
18 clarification.

19 Q. Do you know what MRPS stands for
20 in the last page?

21 MS. BAKER: I note that's
22 highlighted.

23 BY MS. WEINBERG:

24 Q. It's not from the original, that
25 is for purposes of this investigational hearing.

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1 A. You're talking about
2 document Bates number 1543 where I see a
3 highlight to an MRPS.

4 Q. Do you know what MRPS?

5 A. I do not.

6 Q. Okay. Do you know what codes were
7 used if a consumer revoked an ACH authorization?

8 A. I do not.

9 Q. Do you know any of the ACH codes
10 that were used along with these notes?

11 A. The only ACH codes I'm familiar
12 with are some of them that refer to the return
13 codes from the banks and the not to process. I
14 don't know that those are in here. I just want
15 to be crystal clear.

16 Q. Okay.

17 MS. BAKER: Could we take a five
18 minute break?

19 MS. WEINBERG: Yeah. I actually
20 just have one last section.

21 MS. BAKER: Okay. Fine. We can
22 finish the document. That's fine.

23 MS. WEINBERG: No. I'm done with
24 that document.

25 MS. BAKER: Okay.

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1 MS. WEINBERG: Do you want to take
2 a break?

3 MS. BAKER: Let's take a five
4 minute break then.

5 (A brief recess was taken.)

6 BY MS. WEINBERG:

7 Q. Okay. We're going to talk a
8 little bit about complaint handling now.

9 A. Okay.

10 Q. So how did Integrity Advance get
11 complaints about -- from consumers?

12 A. There were many different avenues.

13 Q. Okay.

14 A. It could have been -- there were
15 certainly customers that just called in and, you
16 know, we generally considered a complaint
17 anything less than 100 percent happy by a
18 customer is what I would call a complaint.

19 Also we had an opportunity where
20 they could send in an e-mail. That e-mail was
21 distributed to many different folks to make sure
22 none of those e-mails were missed.

23 It could have come in through a
24 fax, we had a fax number.

25 It could have come in through U.S.

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1 mail or any other kind of mail.

2 It could have come in through the
3 Better Business Bureau. Usually a mail, letter
4 or fax.

5 It could have come in from a
6 regulatory body, e-mail or letter. That's all I
7 can think of.

8 Q. Okay. And I think you've already
9 testified that the direct calls and e-mails
10 would have been going for the most part, with
11 the exception of the George Davis exception, the
12 Delaware office exception, they go to the call
13 centers; is that correct?

14 A. The vast majority. Yes.

15 Q. And where did the BBB complaints
16 go? Did they also go to the call center or
17 somewhere else?

18 A. My recollection is those went to,
19 again, several people. For instance, we had a
20 distribution list. My recollection certainly
21 when it was Worldwide it would be Jimmy Blake or
22 someone like that at the call center and
23 typically would have been two or three folks
24 over there. And then Christopher Pickett and/or
25 myself.

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1 Q. Are you saying it went to all
2 three places at the same time?

3 A. Yes.

4 Q. BBB, to the call center,
5 Christopher Pickett, and you?

6 A. They would send an e-mail. The
7 e-mail we published to them was a distribution
8 list and that e-mail would go to many different
9 folks to make sure none were missed.

10 Q. Got it. And then it was the same
11 distribution list for the regulators?

12 MS. BAKER: You mean for
13 complaints that came from regulatory bodies?

14 BY MS. WEINBERG:

15 Q. Yes.

16 A. I don't recall a regulator using
17 that e-mail address.

18 Q. Okay. Let's stick with the BBB
19 for a minute.

20 A. Sure.

21 Q. When you -- the BBB sends an
22 e-mail it goes to this distribution list, who
23 had primary responsibility for responding to the
24 BBB? Would it have been you, Chris Pickett, and
25 the call center?

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1 A. I said Jimmy Blake would have
2 been.

3 Q. That's the call center?

4 A. Correct.

5 MS. BAKER: Let me just give you a
6 word of caution. To the extent that this line
7 of questions triggers a response to any of the
8 questions that would disclose information you
9 received in connection with your role as counsel
10 to the company, either because you were
11 providing or receiving legal advice or request
12 for legal advice, you obviously can't disclose
13 that information or those communications.
14 That's just my word of caution as to this line
15 of questions.

16 THE WITNESS: I appreciate that.
17 I duly note. Thank you.

18 BY MS. WEINBERG:

19 Q. Okay. So if it was the BBB, Jimmy
20 Blake had primary responsibility to respond to
21 the e-mail from the BBB?

22 A. Yes.

23 Q. Or if it wasn't -- I forgot which
24 call center he was. If it was the other call
25 center it would be?

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1 A. An equivalent.

2 Q. An equivalent. Jimmy was
3 Worldwide?

4 A. That's correct.

5 Q. If it wasn't the time you were
6 using Worldwide, Clearvox would have had the
7 responsibility; right?

8 A. Correct.

9 Q. And at what point, if any, would
10 you or Chris Pickett become involved?

11 A. On a BBB?

12 MS. BAKER: That's my same caution
13 to you.

14 THE WITNESS: Yeah.

15 BY MS. WEINBERG:

16 Q. Did you ever respond directly to
17 the BBB yourself?

18 A. I don't recall ever responding to
19 the BBB myself.

20 Q. Did Chris Pickett ever respond to
21 the BBB himself?

22 A. I don't know for sure. I recall a
23 few occasions perhaps.

24 Q. So would it be fair to say when
25 you got involved with a BBB complaint it would

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1 be to consult with somebody from the call center
2 about a potential resolution?

3 A. When I personally got involved?

4 Q. Yeah.

5 A. It's hard for me to couch that
6 because it hardly ever happened, to be honest,
7 where I would get involved or needed to be
8 involved with the BBB complaint.

9 Q. Do you know if Chris Pickett had
10 any more involvement than you did on those
11 complaints?

12 A. I would say it was very rare on a
13 BBB complaint.

14 Q. Does your testimony change if I'm
15 asking about a complaint that came through a
16 state regulator?

17 A. Yes.

18 Q. Could you explain the process how
19 you dealt with complaints that came through a
20 state regulator?

21 MS. BAKER: I would caution you
22 you cannot answer this question to the extent it
23 seeks disclosure of information that's protected
24 from disclosure by the attorney-client privilege
25 or communications protected from disclosure by

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1 attorney-client privilege and/or information
2 received in connection with your role as a
3 counsel in connection with attorney-client
4 privilege and/or work product. Answer the
5 question subject to those restrictions.

6 THE WITNESS: Sure. I understand.
7 I think it's fine to say that any complaint or
8 communication that a reasonable person would
9 view as a legal matter would get escalated to
10 Christopher Pickett and/or myself.

11 BY MS. WEINBERG:

12 Q. And are you putting any complaint
13 that came through a state regulator in that
14 category?

15 MS. BAKER: Same caution.

16 BY MS. WEINBERG:

17 Q. Let me rephrase that. Did all of
18 the complaints -- were all of the complaints
19 that came through a state regulator handled by
20 somebody at Integrity Advance or were some
21 handled by the people in the call centers?

22 A. As far as I know, any state
23 regulators had some involvement from Integrity
24 Advance.

25 Q. When you say Integrity Advance, do

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1 you mean you or Chris Pickett?

2 A. One or both of us, yes.

3 Q. Okay. What was the biggest type
4 of complaint that Integrity Advance received
5 from its applicants or customers?

6 MS. BAKER: When you say biggest
7 type of complaint?

8 BY MS. WEINBERG:

9 Q. Largest in number?

10 MS. BAKER: You mean?

11 BY MS. WEINBERG:

12 Q. Category?

13 MS. BAKER: Okay. The category.
14 You mean for all complaints or just those that
15 are specific to the regulatory?

16 BY MS. WEINBERG:

17 Q. No. I'm talking about all of
18 them?

19 MS. BAKER: Okay.

20 THE WITNESS: I would couch it as
21 inability to pay.

22 BY MS. WEINBERG:

23 Q. Did you get complaints about
24 consumers not understanding the loan terms?

25 MS. BAKER: You meaning Integrity?

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1 BY MS. WEINBERG:

2 Q. Yes.

3 A. I personally recall seeing a few.
4 I don't recall that being a significant number
5 of complaints.

6 Q. And how would Integrity or the
7 call centers respond when a consumer complained
8 they didn't understand their loan terms?

9 MS. BAKER: My same caution to you
10 about privilege.

11 THE WITNESS: Understood. It
12 didn't matter the nature, the category of the
13 complaint. The call centers were empowered to
14 work with the customers to make the -- resolve
15 it including waive the entire balance of the
16 loan?

17 BY MS. WEINBERG:

18 Q. And did you, meaning Integrity,
19 get complaints about consumers being unable to
20 pay in full even when they called three days in
21 advance of the due date of the loan, meaning
22 they had said I want to pay in full and that
23 request was not processed?

24 A. That was very rare, if at all.

25 Q. Did you get complaints about

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1 consumers being unable to reach Integrity

2 Advance when they had problems?

3 A. I don't recall that at all.

4 MS. BAKER: When you say you,

5 again you mean Integrity Advance?

6 THE WITNESS: I don't recall.

7 BY MS. WEINBERG:

8 Q. I'm assuming they're not calling

9 him at home, did you, you meaning Integrity

10 Advance get any complaints about debt collection

11 activities?

12 A. I will distinguish between what I

13 call first-party or internal 60 to 90 days and

14 then third-party. I would couch it as, again,

15 rare that there were complaints about any of the

16 internal collections, processes or procedures in

17 a took place, but I recall a small amount and,

18 again, dealing with it and if that meant that

19 person had to be fired if they did something

20 inappropriate that could occur.

21 Q. A small amount in internal or

22 small amount in what we call third-party?

23 A. Really both. Right now I was

24 talking solely about internal.

25 Q. Okay. And what was the nature of

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1 those complaints that you reviewed?

2 MS. BAKER: Same caution to you.

3 THE WITNESS: That's the ones I

4 recall. Perhaps them being aggressive and

5 calling too much or something or someone saying

6 they may have called.

7 BY MS. WEINBERG:

8 Q. Someone saying they might have

9 called too much?

10 A. Yes.

11 Q. What, if anything, did you do on

12 receipt of those complaints?

13 MS. BAKER: You mean Integrity

14 Advance or Mr. Foster?

15 BY MS. WEINBERG:

16 Q. You, Integrity Advance?

17 MS. BAKER: Same caution to you,

18 Mr. Foster, about disclosing privileged

19 information protected from disclosure by

20 attorney-client privilege, attorney work

21 product, et cetera.

22 THE WITNESS: Give me a second.

23 BY MS. WEINBERG:

24 Q. Uh-huh.

25 A. I would say that the company --

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1 Integrity Advance took any such even allegations
2 very seriously and all methods and avenues were
3 considered by the company in how to remedy those
4 situations.

5 Q. Such as?

6 MS. BAKER: I caution you about
7 this line of questions in particular. You may
8 not disclose confidential communications or
9 information you received in connection with your
10 receipt of attorney-client privileged
11 information.

12 BY MS. WEINBERG:

13 Q. Did Integrity Advance take any
14 action after receiving complaints about
15 aggressive calls or too many calls -- again,
16 we're just now focused on the internal process,
17 I believe, internal collections process you said
18 the 30 to 60 day?

19 MS. BAKER: Take any kind of --
20 what action?

21 BY MS. WEINBERG:

22 Q. Any action?

23 MS. BAKER: Same caution to you.

24 THE WITNESS: I would -- I believe
25 I can safely say, no, because it wasn't

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1 necessary, the third-parties dealt with it
2 adequately.

3 BY MS. WEINBERG:

4 Q. Okay. And do you know what the
5 third-party did?

6 A. I don't remember any on a specific
7 occurrence, but they fired or reprimanded
8 employees as required, whether it was for
9 Integrity Advance or any other rule that they
10 may have violated in the workplace.

11 Q. Okay. Let's turn then to debt
12 collection by IFP.

13 A. Okay.

14 Q. Did you receive any complaints
15 about that sort of debt collection done by IFP?

16 MS. BAKER: When you say that sort
17 of the specific debt collection activities of
18 IFP?

19 MS. WEINBERG: Yes.

20 MS. BAKER: Okay.

21 THE WITNESS: Again, very rarely.

22 BY MS. WEINBERG:

23 Q. What was the nature of those
24 complaints?

25 A. I honestly don't recall any

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1 specific complaints. Again, similar to my
2 answer before, Integrity Advance was usually
3 informed after the fact that a -- they had --
4 the third-party partner, in this case IFP had
5 reprimanded or taken actions against an employee
6 for violating their handbook, which could
7 involve a million -- a number of things in the
8 handbook.

9 Q. Did that reflect the way you
10 understood those issues were supposed to be
11 dealt with? In other words, were -- was the
12 conduct of the employees at IFP supposed to be
13 dealt with by the call center rather than
14 Integrity Advance?

15 A. Sorry. Could you repeat that?

16 Q. You said -- you just testified
17 that you, meaning Integrity Advance, were in
18 some instances notified after the fact by IFP of
19 actions they had taken with regard to an
20 employee?

21 A. Of Integrity Advance Partners if I
22 didn't say that. Yes.

23 Q. Who was involved in aggressive
24 debt collection or something they considered
25 violative of their standards; is that right?

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1 A. That's what I said. Yes.

2 Q. Okay.

3 A. A fair assessment of what I said.

4 Q. So my question is, is that the way
5 it was supposed to happen under your contract
6 with IFP, that they would take care of any
7 employee misconduct and notify you after they
8 had dealt with the issue?

9 MS. BAKER: Let me -- let me just
10 give you a word of caution here.

11 Two things. Your contract, I
12 assume you mean the contract Integrity Advance
13 had.

14 The word of caution is, as the
15 attorney for Integrity Advance, to the extent
16 you were involved in negotiating that contract
17 or agreement, I would caution you about that and
18 providing an understanding of that agreement
19 that might disclose inadvertently communications
20 or information that's protected from disclosure
21 by the attorney-client privilege.

22 To that -- subject to that caution
23 you may answer Ms. Weinberg's question if you're
24 able to do so.

25 THE WITNESS: Understood. My

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1 recollection of the contract is that the duty
2 was on, in this case Integrity Financial
3 Partners to comply with all applicable laws and
4 conduct themselves in a professional manner and
5 how they complied with that was ultimately up to
6 them. They had that duty to us, to Integrity
7 Advance.

8 MS. WEINBERG: Okay. Let's just
9 go off the record for one minute.

10 (Discussion off the record.)

11 MS. WEINBERG: Okay. Thank you.
12 No further questions.

13 THE WITNESS: Okay.

14 MS. WEINBERG: Thank you for
15 coming in today. It was a pleasure meeting you.

16 MR. WHEELER: Thanks.

17 (Signature not waived.)

18 (Whereupon, at 3:46 p.m., the
19 deposition was concluded.)

20 - - - - -

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ACKNOWLEDGMENT OF DEPONENT

I do hereby acknowledge that I have read
and examined the foregoing of the transcript of
my deposition and that:

(Check appropriate box):

() the same is a true, correct and
complete transcription of the answers given by
me to the questions therein recorded.

() except for the changes noted in the
attached errata sheet, the same is a true,
correct and complete transcription of the
answers given by me to the questions therein
recorded.

DATE

SIGNATURE

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1 CERTIFICATE OF NOTARY PUBLIC

2 I, Paula G. Satkin, the officer before whom the
3 foregoing proceedings were taken, do hereby
4 certify that the witness whose testimony appears
5 in the foregoing proceeding was duly sworn by
6 me; that the testimony of said witness was taken
7 by me in stenotype and thereafter reduced to
8 typewriting under my direction; that said
9 proceedings is a true record of the testimony
10 given by said witness; that I am neither counsel
11 for, related to, nor employed by any of the
12 parties to the action in which these proceedings
13 were taken; and, further, that I am not a
14 relative or employee of any attorney or counsel
15 employed by the parties hereto, nor financially
16 or otherwise interested in the outcome of the
17 action.

18 My commission expires November 14, 2015.

19

20

21

PAULA G. SATKIN

22

Notary Public in and for the

23

District of Columbia

24

25

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Exhibit 7

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November 25, 2013

Alusheyi J. Wheeler
Wendy Weinberg
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20557

**Re: Response to January 7, 2013 Civil Investigative Demand Issued to
Integrity Advance, LLC**

Dear Mr. Wheeler and Ms. Weinberg:

We write on behalf of Integrity Advance, LLC. ("the Company") in response to Interrogatory Nos. 9, 11, 14, 16, 17 and 21 contained in the January 7, 2013 Civil Investigative Demand ("CID") issued by the Consumer Financial Protection Bureau ("Bureau") to the Company. Please note that, because of a communication issue with the Company's third-party vendor tasked with preparing the document submission in accordance with the submission standards required by the Bureau, the documents scheduled to be produced today are not available in the required format. As such, the Company intends to produce the documents otherwise due today to the Bureau no later than Monday, December 2, 2013.

This response is made with the specific proviso that, because the CID is an act of enforcement (rather than supervision), nothing contained in the response may be shared with any State agency, employee or authority. *See* 12 U.S.C. § 5512(c)(6)(C) (permitting only the sharing of materials obtained via supervisory action, and to materials obtained via enforcements action); 12 C.F.R. § 1070.4 (only permitting sharing of confidential information "in accordance with applicable law"). Additionally, the Company objects to any definition contained in the CID to the extent that such defined term seeks to create a legal relationship or status that does not otherwise exist.

The Company reserves the right to supplement this response. Further, because it contains privileged or confidential trade secrets and commercial or financial data, we request confidential treatment of this Response (and the information, material and documents produced herewith) pursuant to 12 C.F.R. Pt. 1070 and 5 U.S.C. § 552(b)(4)).

**CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR
FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. §
552(b)(4))**

Response to Interrogatories

9. Identify all inquiries, citations, notifications of proposed or pending actions, or resolutions of actions from any foreign, federal, state, or local law enforcement or regulatory agency concerning any lending or collection activities engaged in by the Company. Include the name of the agency or regulator and the ultimate disposition, if any.

Response:

| Date | Inquiring Entity | Subject of Inquiry | Resolution |
|-------------|-------------------------|---|-------------------|
| 01/05/11 | Michigan OFIR | Complaint by Consumer D. McClure/inquiry regarding Company's business | Response sent. |
| 01/13/11 | Kentucky DFI | Complaint by Consumer D. Rose/request to cease and desist | Response sent. |
| 01/14/11 | Illinois AG | Complaint by Consumer J. Welton | Response sent. |
| 01/27/11 | South Carolina BFI | Complaint by Consumer M. Harvard/request to cease and desist | Response sent. |
| 02/25/11 | Kentucky DFI | Complaint by Consumer V. Johnson/request to cease and desist | Response sent. |
| 04/11/11 | Florida OFR | Inquiry regarding Company's business | Response sent. |
| 04/11/11 | Florida OFR | Complaint by Consumer M. Steinweg | Response sent. |
| 04/20/11 | Michigan OFIR | Complaint by Consumer S. Swierkosz/inquiry regarding Company's business | Response sent. |
| 05/04/11 | Kentucky DFI | Advisory regarding Company's business and to cease and desist | Response sent. |
| 05/05/11 | Mississippi DBCF | Request to cease offering loans to Mississippi residents | Response sent. |
| 05/17/11 | Michigan OFR | Notice of Failure to Respond | Response sent. |
| 06/03/11 | Connecticut DOB | Request to Cease and Desist | Response sent. |
| 06/30/11 | Wisconsin DFI | Complaint by Consumer T. Bekkum/request for Confirmation of no additional lending | Response sent. |
| 07/09/11 | Illinois AG | Complaint by Consumer W. Ryan | Response sent. |
| 07/14/11 | Tennessee DCA | Complaint by Consumer S. Lumpkins | Response sent. |
| 07/25/11 | Kentucky DFI | Complaint by Consumer M. Haney/request to cease and desist | Response sent. |
| 08/16/11 | South Dakota DOB | Inquiry regarding Company's business | Response sent. |
| 08/17/11 | Iowa DOB | Complaint by Consumer A. Davis | Response sent. |
| 08/22/11 | Kentucky DFI | Complaint by Consumer A. Patterson/request to cease and desist | Response sent. |
| 09/08/11 | Indiana AG | Complaint of Consumer J. Sharpe | Response sent. |
| 09/15/11 | Illinois AG | Complaint by Consumer L. Hessenauer | Response sent. |

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. § 552(b)(4))

| | | | |
|----------|--------------------|---|----------------|
| 09/15/11 | Iowa DOB | Follow-up regarding Complaint by Consumer A. Davis | Response sent. |
| 09/26/11 | Delaware OSBC | Complaint by M. DeFreitas | Response sent. |
| 09/30/11 | Ohio AG | Complaint by Consumer T. Ferris | Response sent. |
| 11/28/11 | Louisiana DOJ | Complaint by Consumer K. Eursin | Response sent. |
| 12/07/11 | Louisiana DOJ | Complaint by Consumer C. McCauley | Response sent. |
| 12/08/11 | Kentucky DFI | Complaint by Consumer D. Callahan/ cease and desist | Response sent. |
| 02/13/12 | Michigan AG | Complaint by Consumer L. Parr-Smith | Response sent. |
| 03/14/12 | Michigan AG | Follow-up regarding Complaint by Consumer L. Parr-Smith | Response sent. |
| 03/21/12 | South Carolina BFI | Complaint by Consumer A. Eaddy | Response sent. |
| 03/26/12 | Michigan AG | Follow-up regarding Complaint by Consumer L. Parr-Smith | Response sent. |
| 04/20/12 | Louisiana DOJ | Complaint by Consumer M. Robinson | Response sent. |
| 05/01/12 | Delaware OSBC | Complaint by Consumer K. Sawyer | Response sent. |
| 05/07/12 | Michigan AG | Follow-up regarding Complaint by Consumer L. Parr-Smith | Response sent. |
| 05/12/12 | Michigan OFIR | Complaint by Consumer M. Smith | Response sent. |
| 05/18/12 | Illinois AG | Complaint by Consumer M. Rhoades | Response sent. |
| 05/20/12 | Michigan AG | Complaint by Consumer S. Catenacci | Response sent. |
| 05/30/12 | South Carolina BFI | Request to cease and desist | Response sent. |
| 06/27/12 | Michigan AG | Complaint by Consumer J. Lee | Response sent. |
| 07/13/12 | Arkansas AG | Complaint by Consumer C. Kuonen | Response sent. |
| 07/18/12 | Michigan AG | Follow-up regarding Complaint by Consumer S. Catenacci | Response sent. |
| 08/07/12 | Michigan OFIR | Complaint by Consumer L. Burton | Response sent. |
| 08/28/12 | Michigan OFIR | Complaint by Consumer D. Blakesley | Response sent. |
| 10/05/12 | Illinois AG | Cease & Desist Order | N/A |
| 11/19/12 | South Carolina DCA | Complaint by Consumer J. Kesler | Response sent. |
| 01/16/13 | Ohio AG | Complaint by Consumer L. Bing | Response sent. |
| 02/26/13 | Tennessee DFI | Inquiry regarding Company's business | Response sent. |

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. § 552(b)(4))

In addition to the above, the Company was involved in matters with the following states:

- On September 6, 2011, the Minnesota Attorney General filed *State ex rel. Swanson v. Integrity Advance, LLC*, District Court for the Second District of Minnesota File No: 62-CV-11-7168 , alleging that Minnesota law applied to loans made by the Company to consumers listing Minnesota as their state of residence. On May 31, 2013, the District Court ruled that Minnesota law applied to Integrity's loans. The Company filed a timely appeal to the Minnesota Court of Appeals. The case has been briefed and is awaiting the setting of oral argument by the appellate court.
- On June 24, 2013, the Company entered into a Settlement Agreement with the State of Michigan titled *In the matter of Integrity Advance, LLC*, Enf. Case No. 13-11719, whereby the Company agreed that it would no longer allow consumers listing a Michigan residential address to avail themselves of the Company's services.

11. List and describe each product or service marketed, offered, provided, or sold by the Company, and, for each:

- a. identify the fee, finance charge, interest rate, or penalty customers may incur in connection with the product or service and, for each, describe how the amount is calculated and explain the circumstances under which it is assessed;**

Response: If a customer payment was stopped, denied or otherwise dishonored, a non-sufficient funds fee of \$25 was assessed.

Finance fees were assessed as set forth in the tables located in Attachment 11(a).

- b. list and describe any term not identified in response to "a;"**

Response: None.

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. § 552(b)(4))

- c. **describe each method (e.g. electronic fund transfer (EFT), paper check) by which a consumer may obtain, secure, and pay off a loan;**

Response: Pursuant to the terms set forth in the Loan Agreement, a consumer could obtain a loan from the Company by automated clearing house (“ACH”) deposit to his or her checking account. ACH debit was also the primary method of payment to make payments and to pay off a loan balance. If a consumer revoked the ACH Authorization, the Company would also accept various other payment mechanisms to include cashiers’ checks and money orders as described in the Loan Agreement. In a collections context, the Company would also accept remotely created checks, credit cards, and debit cards.

With regard to “security,” the Company claimed a security interest in a customer’s ACH Authorization for the purposes of Truth-In-Lending purposes only pursuant to Comment 2(a)(25) of the Federal Reserve Board Commentary to Regulation Z 226.2.

- d. **describe how the Company determined the allocation of consumer payments to principal, fees, charges, interest, or penalties;**

Response: Except for the collections context, the general Company practice for allocation of payments was first to NSF fees, second to interest and fees, and last to principal.

In the collection context, there was no set policy on allocation of payments or structure of settlements. The Company’s efforts in the collection context were to recover outstanding principal; as such, fees, regardless of nature, were often waived.

- e. **identify and describe each version of all application forms, disclosures, contracts, enrollment forms, sign-up agreements, and any other document provided to the consumer during the marketing, offering, provision, or sale of the product or service during the Applicable Period;**

Response: During the Applicable Period, a significant percentage of Company customers were directed to the Company by lead generators. Consequently, the Company does not have the actual third party application templates that were completed by such consumers. The information contained within the third party applications was passed into the Company LMS which in turn populated the applicable loan documents, including an application page noted as Form 1 (Application).

Copies of Company privacy policies will be provided in Document Request No. 9 and applicable loan documents were previously provided in Document Request 12. The loan documents are presented in two formats. The first format is broken into its constituent pieces and consisted of TDC Form 1 (Application), TDC Form 2a (Loan Agreement), TDC Form 2b (ACH Authorization), and Form 3 (Arbitration) and were presented to prospective customers individually. The second format, IADV_Entire Loan Document Template, is presented as one document.

- f. **without regard to the Applicable Period, state the range of dates the Company marketed, offered, provided, or sold the product or service;**

Response: Credit was offered by the Company pursuant to Title 5, Section 22 of the Delaware Code from May 15, 2008 through June 30, 2013.

- g. **state the total number of consumers to whom you sold the product or service annually;**

Response: See Attachment No. 11(g)

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. § 552(b)(4))

- h. state the total number of consumers to whom you sold the product or services on a monthly basis;**

Response: See Attachment No. 11(g)

- i. state the total number you sold to consumers annually;**

Response: See Attachment No. 11(g)

- j. state the total of principal loan annually; and**

Response: See Attachment No. 11(g)

- k. state the total annual revenue.**

Response: Total annual gross revenue for Company has been calculated as the net amount of total amounts collected in the associated year minus total principal amounts loaned to consumers in the associated year (if any). 2013 total annual revenue includes the debt sale.

2011: \$18,127,721.47

2012: \$33,198,111.13

2013: \$10,007,421.94

- 14. Identify and list the effective dates for each policy, procedure, training material, telephone or marketing script, and talking points submitted in response to Document Requests 8, 9, and 10.**

Response: The original effective date for submitted documents in response to Document Requests 8, 9, and 10 is unknown. The Integrity Advance Training Review Document was updated by section on various dates (delineated in the document itself) ranging from July 4, 2011 through January 7, 2013. The Procedures Manual was last updated May 14, 2010.

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. § 552(b)(4))

16. For each product or service identified in response to Interrogatory 11, describe the Company's process for each of the following:

- a. establishing and authorizing electronic funds transfer (EFTs), including how consumer consent is obtained;

Response: Consumers provided their consent to the loan transaction when they electronically signed the loan documentation, a template of which was previously provided in response to Document Request No. 12 ("Loan Document"). Further, electronic funds transfer authorizations were obtained pursuant to the ACH Agreement section of the Loan Document.

- b. determining, pursuant to the rules of NACHA – The Electronics Payment Association, when to code transactions as one-time transfers and when to code as recurring reauthorized transfers;

Response: The Company had no responsive process regarding this subject matter.

- c. processing payments via EFT, including:

- i. varying the amounts debited through Automated Clearing House (ACH) authorization between pay cycles;

Response: The Company had no responsive process regarding this subject matter. Company practice was to not vary amounts debited.

- ii. the priority in which payments are applied to outstanding finance charges or other fees versus loan principal;

Response: The Company had no responsive process regarding this subject matter. Company practice is discussed in Document Request 9(i).

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. § 552(b)(4))

iii. the default procedures established for determining the size of the required payment in the first and all subsequent pay cycles;

Response: The default process for determining the size of the required payment is described in the Payment Options section of the Loan Agreement that was previously provided in response to Document Request No. 12. If a customer contacted the Company three (3) business days prior to the payment due date pursuant to the Loan Agreement, a payoff for the total of payment plus any accrued fees could be scheduled. Otherwise, if a customer took no action, a customer was auto-renewed and the payment amount was debited pursuant to the ACH Agreement in the amount of the finance fee plus any accrued fees on the payment due date. a loan could be renewed four (4) times in this manner. If a customer failed to contact the Company after the fourth renewal, Company had the option to put the customer into an auto-workout status. In the auto-workout status, a customer was assessed the accrued finance charges and fees plus \$50.00 on each Pay Date after the fourth (4th) renewal payment due date until all amounts owed under the Loan Agreement were paid in full.

iv. the default procedures followed for allocating payments to fees and principal with the amount of the payment is less than the consumer's outstanding balance;

Response: The Company had no responsive process regarding this subject matter.

v. use of demand drafts;

Response: The Company had no responsive process regarding this subject matter. Company practice was to use demand drafts in instances in which the ACH Authorization was revoked or claimed unauthorized and the consumer provided no alternative method of payment as required under the Loan Agreement or if the consumer issued a stop pay directive in contravention of the Loan Agreement.

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. § 552(b)(4))

vi the process following revocation of ACH authorization;

Response: The Company had no responsive process regarding this subject matter. Company practice was as set forth above in Interrogatory 16(c)(v) above.

vii. each circumstance, if any, in which the Company submits debits under different names or in varying amounts;

Response: The Company had no responsive process regarding this subject matter. Company practice was to not submit EFT debits under different names or in varying amounts.

viii. a description of the information provided to consumers concerning the frequency, amounts, and total number of EFT payments;

Response: Consumers were provided a description of the EFT payments process in the ACH Authorization (See Form 2b in Document Request No. 12).

Pursuant to the ACH Authorization, Company provided the following information:

You hereby voluntarily authorize us, and our successors and assigns, to initiate automatic credit and debit entries to Your Bank Account in accordance with the Loan Agreement. You agree that we will initiate a credit entry to Your Bank Account for the Amount Financed on or about the Disbursement Date. You agree that we may initiate a debit entry to Your Bank Account up to two additional times after our first presentation and re-initiate a debit entry for the same amount if the ACH is dishonored. You also authorize us to initiate an ACH debit entry to Your Bank Account:

(a) for the Total of Payments plus any accrued fees on the Payment Due Date, or on any subsequent Renewal Payment Due Date, if you contact us at least three (3) business days prior to such date and select Payment Option (a) in the Loan Agreement (Pay in full);

(b) for the Finance Charge plus any accrued fees on the Payment Due Date, or on any subsequent Renewal Payment Due Date, if you contact us at least three (3) business days prior to such date and select Payment Option (b) in the Loan Agreement (RENEWAL), or if you fail to contact us to confirm your payment option;

(c) for the accrued finance charges and fees, plus \$50.00 on each Pay Date after the fourth (4th) Renewal Payment Due Date, until all amounts owed under the Loan Agreement are paid in full; and

(d) for any accrued NSF Fees, subject to the Loan Agreement.

The ACH Authorizations set forth in the Loan Agreement are to remain in full force and effect for this transaction until your indebtedness to us for the Total of Payments, plus

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. § 552(b)(4))

any other charges or fees incurred and described in the Loan Agreement, is fully satisfied. You may only revoke the above authorizations by contacting us directly. If 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.

You further authorize us to initiate two additional debit entries as necessary to recoup the outstanding loan balance whenever an ACH transaction is returned to us for any reason. You understand and agree that this ACH Authorization is provided for your convenience, and that you have authorized repayment of your loan by ACH debits voluntarily. You agree that you may repay your indebtedness through other means, including by providing timely payment via cashiers check or money order directed to: Integrity Advance, 300 Creek View Road, Suite 102, Newark, DE 19711.

- d. providing notice to consumers before payment is due about how to make changes to their default ACH payment; and**

Response: The Company had no responsive policy regarding this subject matter. Company practice was to email the consumer informing them of the payment due date, the payment amount, and their options under the Loan Agreement – pay in full, pay the accrued fee only, or pay the accrued fee and an increment of principal – as set forth in the Loan Agreement and Interrogatory No. 16(c)(viii) above.

- e. allowing consumers to stop EFT payments, all methods consumers can use to communicate to the Company their desire to stop EFT's, and the reports the Company maintains concerning the cessation of EFTs.**

Response: Pursuant to the ACH Authorization, Company provided the following information regarding revocation of the ACH Authorization:

You may only revoke the above authorizations by contacting us directly. If 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.

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. § 552(b)(4))

17. For each product or service identified in response to Interrogatory 11, describe the Company's process for renewing extensions of credit where the consumer does not pay all funds due to the Company at the expiration of the credit term. Include a description of the manner in which the Company informs consumers about the renewal process and the process by which consumers can consent to or decline a renewal.

Response: Pursuant to Delaware law and the Loan Agreement, Company provided the following information regarding renewals to consumers:

AUTO-RENEWAL: *If you fail to contact us to confirm your Payment Option at least three (3) business days prior to any Payment Due Date, or otherwise fail to pay the loan in full on any Pay Date, Lender may automatically renew your loan as described under (b) above, and debit Your Bank Account on the Payment Due Date or thereafter for the Finance Charge and any accrued fees. Your new Payment Due Date will be your next Pay Date, and the rest of the terms of the Loan Agreement will continue to apply. You must contact us at least three (3) business days prior to your new Payment Due Date to confirm your payment option for the Renewal. If you fail to contact us, or otherwise fail to pay the loan in full on your new Payment Due Date, we may automatically renew the loan until your next Pay Date. After your initial loan payment, you may obtain up to four (4) Renewals. All terms of the Loan Agreement continue to apply to Renewals. All Renewals are subject to Lender's approval. Under Delaware law, if you qualify, we may allow you to enter into up to four (4) Renewals, also known as a "refinancing" or a "rollover". The full outstanding balance shall be due upon completion of the term of all Renewals, unless you qualify for Auto-Workout, as described below.*

AUTO-WORKOUT: *Unless you contact us to confirm your option for Payment in Full prior to your Fourth Renewal Payment Due Date, your loan will automatically be placed into an Auto- Workout payment plan. Under the Auto-Workout payment plan, Your Bank Account will automatically be debited on your Pay Date for accrued finance charges plus a principal payment of \$50.00, until all amounts owed hereunder are paid in full. This does not limit any of Lender's other rights under the terms of the Loan Agreement. All Auto-Workout payment plans are subject to Lender's approval.*

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR
FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. §
552(b)(4))

21. Identify all Persons who participated in responding to this CID and the specific tasks performed by each Person.

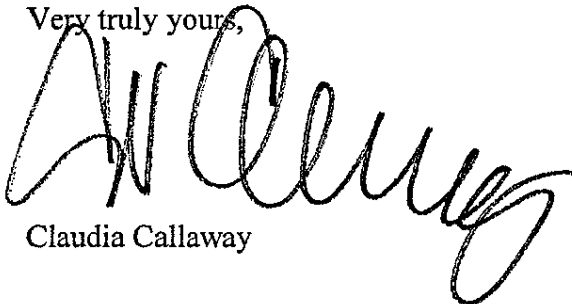
Response:

| | |
|---------------------|--|
| Christopher Pickett | Coordinated collection of responsive information. |
| James Carnes | Provided information and reviewed written responses. |
| Edward Foster | Provided information and reviewed written responses. |
| Gregg Snell | Queried Company databases in order to generate responsive materials for the CID. |
| Mark Rondeau | Provided screen shots from the restored Company website in a stage environment |
| Renee Negler | Retrieved customer documents from restored Company LMS |
| Joe Dillion | Retrieved customer documents from restored Company LMS |
| Joe Meenan | Retrieved customer documents from restored Company LMS |
| David Schofield Jr. | Retrieved customer documents from restored Company LMS |
| Cheryl Schofield | Retrieved customer documents from restored Company LMS |

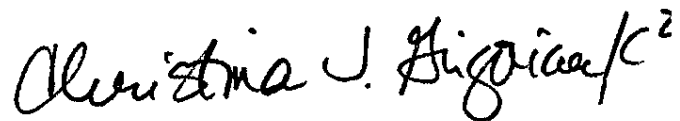
Note that this response does not include outside legal counsel or third-party discovery providers.

* * *

Very truly yours,



Claudia Callaway



Christina Grigorian

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. § 552(b)(4))

SCHEDULE OF CHARGES AND FEES

A PAYDAY LOAN IS NOT INTENDED TO MEET LONG-TERM FINANCIAL NEEDS According to the Commissioners Regulation 2203, Section 1.0, Notification, every licensee shall furnish to every applicant a copy of the Itemized Schedule of Charges and Fees at the time when such application is made. As per the aforementioned Commissioners Regulation 2203, Section 1.0, Notification, please review the itemized schedule of charges and fees below to better understand the charges and fees associated with your loan.

The APR, or Annual Percentage Rate, is the term for the effective interest rate that the borrower will pay on a loan to the lender in a standardized way. This is to show the total cost of credit to the consumer, expressed as an annual percentage of the amount of credit lent to the borrower. While APR is intended to make it easier to compare lenders and loan options, it can seem complicated to those that are not aware of its implications.

There is no account set up fee and, when scheduled payments are made, there are no additional fees outside the principal amount borrowed and the interest that accumulates on the amount borrowed. When comparing interest rates among companies, please note that some companies may charge set up fees, application fees, or other such charges while we do not charge for these services.

OTHER FEES

NSF FEE: \$25.00

VIP CUSTOMER FEES

LOAN AMOUNT

| DAYS | 684.38 | \$100.00 | \$150.00 | \$200.00 | \$250.00 | \$300.00 | \$350.00 | \$400.00 | \$450.00 | \$500.00 | \$550.00 | \$600.00 | \$650.00 | \$700.00 |
|------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 23 | 380.87% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 22 | 398.18% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 21 | 417.14% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 20 | 438.00% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 19 | 461.05% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 18 | 486.67% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 17 | 515.29% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 16 | 547.50% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 15 | 584.00% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 14 | 625.71% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 13 | 673.85% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 12 | 730.00% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 11 | 796.36% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 10 | 876.00% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 9 | 973.33% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |
| 8 | 1095.00% | \$24.00 | \$36.00 | \$48.00 | \$60.00 | \$72.00 | \$84.00 | \$96.00 | \$108.00 | \$120.00 | \$132.00 | \$144.00 | \$156.00 | \$168.00 |

STANDARD LOAN FEES (NEW CUSTOMERS AND NON-VIP CUSTOMERS)

LOAN AMOUNT

| DAYS | 684.38 | \$100.00 | \$150.00 | \$200.00 | \$250.00 | \$300.00 | \$350.00 | \$400.00 | \$450.00 | \$500.00 |
|------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 23 | 476.09% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 22 | 497.73% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 21 | 521.43% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 20 | 547.50% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 19 | 576.32% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 18 | 608.33% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 17 | 644.12% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 16 | 684.38% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 15 | 730.00% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 14 | 782.14% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 13 | 842.31% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 12 | 912.50% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 11 | 995.45% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 10 | 1095.00% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 9 | 1216.67% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |
| 8 | 1368.75% | \$30.00 | \$45.00 | \$60.00 | \$75.00 | \$90.00 | \$105.00 | \$120.00 | \$135.00 | \$150.00 |

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. § 552(b)(4))

| <u>Origin Year</u> | <u>Origin Month</u> | <u>No. of Customers</u> | <u>No. of Loans</u> | <u>Total Principal</u> |
|--------------------|---------------------|-------------------------|---------------------|------------------------|
| 2011 | Jan-11 | 6,660 | 6,757 | \$ 2,896,900 |
| 2011 | Feb-11 | 4,019 | 4,066 | \$ 1,814,100 |
| 2011 | Mar-11 | 4,813 | 4,878 | \$ 2,176,050 |
| 2011 | Apr-11 | 5,276 | 5,332 | \$ 2,346,550 |
| 2011 | May-11 | 5,683 | 5,749 | \$ 2,508,000 |
| 2011 | Jun-11 | 6,536 | 6,631 | \$ 2,948,100 |
| 2011 | Jul-11 | 5,564 | 5,635 | \$ 2,513,100 |
| 2011 | Aug-11 | 4,570 | 4,656 | \$ 2,137,900 |
| 2011 | Sep-11 | 4,804 | 4,853 | \$ 2,251,400 |
| 2011 | Oct-11 | 4,656 | 4,713 | \$ 2,206,600 |
| 2011 | Nov-11 | 4,924 | 4,991 | \$ 2,357,400 |
| 2011 | Dec-11 | 6,691 | 6,775 | \$ 3,172,800 |
| 2011 | <i>Total</i> | 64,196 | 65,036 | \$ 29,328,900 |
| 2011 | <i>Unique</i> | 46,154 | 65,036 | |

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR
 FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. §
 552(b)(4))

| <u>Origin Year</u> | <u>Origin Date</u> | <u>No. of Customers</u> | <u>No. of Loans</u> | <u>Total Principal</u> |
|--------------------|--------------------|-----------------------------|-------------------------|------------------------|
| 2012 | Jan-12 | 4,661 | 4,734 | \$ 2,158,550 |
| 2012 | Feb-12 | 3,229 | 3,281 | \$ 1,548,800 |
| 2012 | Mar-12 | 4,392 | 4,450 | \$ 2,070,100 |
| 2012 | Apr-12 | 5,184 | 5,252 | \$ 2,401,150 |
| 2012 | May-12 | 5,640 | 5,746 | \$ 2,659,350 |
| 2012 | Jun-12 | 5,339 | 5,417 | \$ 2,494,950 |
| 2012 | Jul-12 | 5,351 | 5,444 | \$ 2,558,850 |
| 2012 | Aug-12 | 5,971 | 6,057 | \$ 2,812,300 |
| 2012 | Sep-12 | 4,026 | 4,072 | \$ 1,878,200 |
| 2012 | Oct-12 | 4,474 | 4,544 | \$ 2,084,350 |
| 2012 | Nov-12 | 4,206 | 4,266 | \$ 1,954,650 |
| 2012 | Dec-12 | 2,885 | 2,898 | \$ 1,342,550 |
| 2012 | <i>Total</i> | <i>55,358</i> | <i>56,161</i> | <i>\$ 25,963,800</i> |
| | <i>Unique</i> | <i>41,015</i> | <i>56,161</i> | |

CONTAINS PRIVILEGED OR CONFIDENTIAL TRADE SECRETS AND COMMERCIAL OR
 FINANCIAL DATA; CONFIDENTIAL TREATMENT REQUESTED (12 C.F.R. PT. 1070 AND 5 U.S.C. §
 552(b)(4))

Exhibit 8

ClearVox, LLC

**6709 W 119th Street
Suite 396
Overland Park, KS 66209**

Invoice

Invoice Date: 3/5/2011

Invoice No.: 2074

Bill To:

Integrity Advance/Willowbrook Partners
Attn.: Jim Carnes
1901 W 47th Place
Suite 310
Westwood, KS 66205

Billing Period

Ending Date: 3/5/2011

Payment is Due by: 3/12/2011

| Quantity | Description | Period Beginning | Rate | Amount |
|-----------------------------|-------------------------------------|--------------------|-----------|---------------------|
| 33,157 | Wages, Bonus, Taxes & Benefits | | 39,071.21 | 39,071.21 |
| | Jan'11 Bonus | | 11,156.89 | 11,156.89 |
| | Feb'11 Bonus | | 9,849.36 | 9,849.36 |
| | Retention Bonus | | 17,374.50 | 17,374.50 |
| | | | | 77,451.96 |
| | mark-up % | | 20.00% | 15,490.39 |
| | Management Overhead Pass-through | | 5,000.00 | 5,000.00 |
| | Rent, Util, Supply, Fees, Misc | | 20,000.00 | 20,000.00 |
| | Telecom Usage (03/01/11 - 03/05/11) | | 0.105 | 3,481.49 |
| | | Total Invoice: | | \$121,423.84 |
| | | Credits Applied: | | \$0.00 |
| Thank you for you business! | | Balance Due | | \$121,423.84 |