

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

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

**In the Matter of:**

**PARTIES' JOINT  
STIPULATIONS OF FACT**

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

**Respondents.**

**PARTIES' JOINT STIPULATIONS OF FACT**

Pursuant to the Court's March 9, 2016 order, the Consumer Financial Protection Bureau and Respondents hereby jointly submit the following statement of undisputed material facts.

1. The Consumer Financial Protection Bureau ("Bureau") is an independent agency of the United States.
2. Integrity Advance, LLC ("Integrity Advance") is a limited liability company organized under Delaware law.
3. Integrity Advance maintained an office at 300 Creek View Road, Newark, DE.
4. Integrity Advance was wholly owned by an entity called Hayfield Investment Partners ("Hayfield") which was also organized under Delaware law.
5. At some points in time, Carnes has owned 52% of Hayfield Investment Partners.

6. James R. Carnes ('Carnes') is a natural person residing in Kansas.
7. Carnes was the President and CEO of Integrity Advance.
8. From May 15, 2008 through December 2012, Integrity Advance offered short term loans to consumers residing in numerous states around the country.
9. Some number of consumers applied for loans with Integrity Advance by entering their personal information into a lead generator website.
10. Integrity Advance ceased offering loans in December 2012.
11. Integrity Advance offered loans to consumers in amounts ranging from \$100 to \$1000.
12. Exhibit A represents an authentic copy of a loan application form and a loan agreement form used by Integrity Advance.<sup>1</sup>
13. Integrity Advance was licensed by the Delaware Office of State Bank Commissioner.
14. Integrity Advance obtained and held a lender's license from the Delaware Office of State Bank Commissioner.
15. Integrity Advance renewed its lender's license annually with the Delaware Office of the State Bank Commissioner.
16. The Bureau issued a Civil Investigative Demand ("CID") to Respondents on January 7, 2013.
17. The Senate confirmed Richard Cordray as the Bureau's Director on July 16, 2013.
18. The Bureau filed the Notice of Charges against Integrity Advance and Carnes on November 18, 2015.

---

<sup>1</sup> The parties agree that they will continue to confer about stipulating to the authenticity of other documents in advance of any trial in this matter.

19. The Office of the Inspectors General of the Federal Reserve and the Department of the Treasury submitted a letter to Congress dated January 10, 2011 in response to questions by Representatives Bachus and Biggert (attached hereto as Exhibit B).

**CERTIFICATE OF SERVICE**

I hereby certify that on the 23rd day of March 2016, I caused a copy of the foregoing Parties' Joint Stipulations of Fact to be filed by electronic transmission (e-mail) with the Office of Administrative Adjudication (CFPB\_electronic\_filings@cfpb.gov), the U.S. Coast Guard Hearing Docket Clerk (aljdocketcenter@uscg.mil), Administrative Law Judge Parlen L. McKenna (cindy.j.melendres@uscg.mil), Heather L. MacClintock (Heather.L.MacClintock@uscg.mil), and served by email on the Respondents' counsel at the following addresses:

Allyson B. Baker, Esq.  
ABBaker@venable.com

Peter S. Frechette, Esq.  
PSFrechette@venable.com

Hillary S. Profita, Esq.  
HSProfita@venable.com

Joanna P. Boyd, Esq.  
JPBoyd@venable.com

Christine E. White  
CEWhite@venable.com

/s/ Alusheyi J. Wheeler  
Alusheyi J. Wheeler