

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION

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In the Matter of )  
THE MONEY TREE, INC., ) DOCKET NO. C-3735  
a corporation, and )  
VANCE R. MARTIN, )  
individually and as an )  
officer of the corporation. )  
\_\_\_\_\_  
)

COMPLAINT

The Federal Trade Commission, having reason to believe that The Money Tree, Inc., a corporation, and Vance R. Martin, individually and as an officer of The Money Tree, Inc. ("respondents"), have violated the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45-58, as amended, and the Fair Credit Reporting Act ("FCRA"), 15 U.S.C. §§ 1681-1681t, as amended, and that The Money Tree, Inc. has violated the Truth in Lending Act ("TILA"), 15 U.S.C. §§ 1601-1667, as amended, and its implementing Regulation Z, 12 C.F.R. Part 226, as amended, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, alleges:

1. Respondent The Money Tree, Inc., which also does business as Money To Lend, Inc. and Money To Lend, is a Georgia corporation, with its office and principal place of business located at 114 South Broad Street, Bainbridge, Georgia 31717, and operates offices throughout Georgia and Alabama.
2. Respondent Vance R. Martin is the sole owner and president of The Money Tree, Inc. Individually, or in concert with others, he formulates, directs, and controls the acts and practices of the corporate respondent, including the acts and practices alleged in this complaint. His principal place of business is the same as that of the corporate respondent.

3. Respondent The Money Tree, Inc. has engaged in the business of offering "consumer credit" to the public and is a "creditor" as those terms are defined in the Truth in Lending Act and Regulation Z.

4. Respondent The Money Tree, Inc. makes short-term installment loans to primarily low-income consumers. The loans are often for amounts between \$150 and \$400.

5. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act.

Count I: Truth in Lending Act

6. Respondent The Money Tree, Inc., in the course and conduct of its business, has, on numerous occasions, required consumers to purchase a combination of credit-life, credit accident and health, credit accident and sickness, or accidental death and dismemberment insurance and/or an auto club membership (collectively referred to as "the extras") in connection with an extension of credit. On average, The Money Tree, Inc.'s customers paid approximately \$80.00 for the extras, plus interest.

7. Respondent The Money Tree, Inc. has not included the cost of the extras in the finance charge and the annual percentage rate disclosed to consumers, and has wrongfully included the cost of the extras in the amount financed disclosed to consumers.

8. Respondent The Money Tree, Inc.'s aforesaid acts and practices violate Sections 106, 107, and 128 of the TILA, 15 U.S.C. §§ 1605, 1606, and 1638, as amended, respectively, and Sections 226.4, 226.4(d), 226.22 and 226.18(b), (d) and (e) of Regulation Z, 12 C.F.R. §§ 226.4, 226.4(d), 226.22 and 226.18(b), (d) and (e), respectively, and constitute unfair and deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count II: Section 5 of the FTC Act

9. Respondents The Money Tree, Inc. and Vance R. Martin, in the course and conduct of their business, have, on numerous occasions, in connection with extensions of credit, induced consumers to execute statements indicating that they have voluntarily chosen certain "extras" when, in fact, the purchase of some combination of such extras was required to obtain credit with The Money Tree, Inc. The "extras" consisted of credit-life insurance, credit accident and health insurance, credit accident and sickness insurance, accidental death and dismemberment insurance, and an auto club membership.

10. Respondents' aforesaid acts and practices have caused substantial injury to consumers that is not outweighed by countervailing benefits to consumers or competition and is not reasonably avoidable by consumers.

11. Therefore, the acts and practices of respondents alleged in Paragraph 10 were, and are, unfair or deceptive in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**Count III: Fair Credit Reporting Act**

12. For purposes of this count, the terms "consumer," "consumer report," and "consumer reporting agency" are defined as set forth in Sections 603(c), (d) and (f), respectively, of the Fair Credit Reporting Act, 15 U.S.C. § 1681a(c), (d) and (f).

13. Respondents The Money Tree, Inc. and Vance R. Martin, in the course and conduct of their business, have, on numerous occasions when respondents have denied credit to a consumer either in whole or in part because of information contained in a consumer report from a consumer reporting agency, failed to:

- a. advise the consumer, at the time when the consumer was informed of such adverse action, that the adverse action was based in whole or in part on information contained in a consumer report; and
- b. supply the consumer with the name and address of the consumer reporting agency that furnished the consumer report.

14. Respondents' aforesaid acts and practices violate Section 615(a) of the FCRA, 15 U.S.C. § 1681m(a). Pursuant to Section 621 of the FCRA, 15 U.S.C. § 1681s, respondents' violations of the FCRA constitute unfair or deceptive acts and practices, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

THEREFORE, the Federal Trade Commission this twenty-eighth day of April, 1997, has issued this complaint against respondents.

By the Commission.

Donald S. Clark  
Secretary