

ORIGINAL

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**



IN THE MATTER OF)
)
)

CAREY V. BROWN; CREDIT PAYMENT)
SERVICES, INC.; CREDIT PROTECTION)
DEPOT, INC.; DISCOUNTADVANCES.COM;)
DISCOUNT ADVANCES)
DOT COM, INC.; MIDLAND FINANCIAL)
MANAGEMENT CORP.;)
MYCASHNOW.COM; MY CASH NOW, INC.;)
PAYDAYMAX.COM)
_____)

File No. _____

**CAREY V. BROWN, CREDIT PAYMENT SERVICES, INC., CREDIT PROTECTION
DEPOT, INC., DISCOUNTADVANCES.COM, DISCOUNT ADVANCES DOT COM,
INC., MIDLAND FINANCIAL MANAGEMENT CORP., MYCASHNOW.COM, MY
CASH NOW, INC., AND PAYDAYMAX.COM'S PETITION TO LIMIT OR
QUASH CIVIL INVESTIGATIVE DEMANDS**

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Petitioners Carey V. Brown, Credit Payment Services, Inc., Credit Protection Depot, Inc., discountadvances.com, Discount Advances Dot Com, Inc., Midland Financial Management Corp., mycashnow.com, My Cash Now, Inc., and paydaymax.com ("Petitioners"), pursuant to 16 C.F.R. §2.7(d), hereby respectively petition the Federal Trade Commission ("FTC") to quash or limit the Civil Investigative Demands ("CIDs") issued to Petitioners on January 25, 2011, pursuant to Section 20 of the FTC Act, 15 U.S.C. § 57b-1. *See* Exhibit A, CID issued to Petitioner Brown. Petitioner Credit Protection Depot, Inc. was served with the CIDs on February 2, 2011, and Petitioner Cary V. Brown was served with the CIDs on February 4, 2011. Pursuant to the FTC's Rules of Practice, this Petition is filed within 20 days of service on Petitioners, and accordingly, this Petition is timely filed.

I. Introduction

The CIDs issued to Petitioners fail to comply with the statutory requirements imposed on the FTC when issuing such demands by failing to be supported by adequate authorizing resolutions, failing to specify the nature of the conduct of the alleged violation that is the subject of the investigation, failing to comply with the requirements when demanding oral testimony, and issuing demands that are irrelevant, overly broad and unduly burdensome. In addition, the CIDs fail to comply with provisions of the FTC's own Operating Manual. For these reasons, the CIDs must be quashed or limited.

II. Legal Objections

A. Legal Standard

While the FTC is granted broad statutory authority under 15 U.S.C. § 45(a) to investigate trade practices that it determines may be deceptive or unfair, it is well settled that the FTC's subpoena power is not limitless. "A subpoena from the FTC is not self-enforcing." *Wearly v. F.T.C.*, 616 F.2d 662, 665 (3d Cir. 1980). The FTC must go to a federal district court to obtain an order to compel compliance. *Id.* Moreover, the federal court does not act as a rubber stamp but rather as an independent reviewing authority with "the power to condition enforcement upon observance of safeguards to [a party's] valid interests." *Id.* See, e.g., *SEC v. Arthur Young & Co.*, 584 F.2d 1018, 1024 (D.C. Cir. 1978) ("The federal courts stand guard, of course, against abuses of their subpoena-enforcement processes") (citing *U.S. v. Powell*, 379 U.S. 48, 58 (1964) and *Oklahoma Press Publ'g Co. v. Walling*, 327 U.S. 186, 216 (1946)).

In *U.S. v. Morton Salt Co.*, the United States Supreme Court prescribed the test to evaluate whether an administrative agency's subpoena should be enforced. 338 U.S. 632, 653 (1950). As the Court recognized, "a governmental investigation into corporate matters may be of

such a sweeping nature and so unrelated to the matter properly under inquiry as to exceed the investigatory power.” *Id.* at 652. The Court instructed that an agency’s subpoenas, like the CIDs at issue here, should not be enforced if they demand information that is: (1) not “within the authority of the agency,” (2) “too indefinite,” or (3) not “reasonably relevant to the inquiry.” *Id.* Courts have consistently applied this test. *See, e.g., Chao v. Local 743, Int’l Brotherhood of Teamers, AFL-CIO*, 467 F.3d 1014, 1017 (7th Cir. 2006); *SEC v. Blackfoot Bituminous, Inc.*, 622 F.2d 512, 514 (10th Cir. 1980) (citing *Morton Salt*, 338 U.S. at 653) (“[t]o obtain judicial enforcement of an administrative subpoena, an agency must show that the inquiry is not too indefinite, is reasonably relevant to an investigation which the agency has authority to conduct, and all administrative prerequisites have been met”); *Arthur Young & Co.*, 584 F.2d at 1030-31 (noting a subpoena request should not be so overbroad as to reach into areas that are irrelevant or immaterial).

In addition, whether a demand is unduly burdensome must be considered. *F.T.C. v. Texaco, Inc.*, 555 F.2d 862, 882 (D.C. Cir. 1977). The time, expenses, and whether compliance threatens to unduly disrupt or seriously hinder normal business operations may be raised by a party challenging the subpoena. *See id.* at 882-83.

B. CIDs Should be Quashed or Limited Because They are Not Authorized by Valid Resolutions

In order to issue valid, enforceable CIDs, the FTC must follow the applicable statutory requirements. The FTC may not demand any information pursuant to CIDs unless such demand is signed by a Commissioner acting pursuant to a FTC resolution. 15 U.S.C. § 57b-1(i). Pursuant to 16 C.F.R. § 2.6, “[a]ny person under investigation compelled or requested to furnish information or documentary evidence shall be advised of the purpose and scope of the investigation and of the nature of the conduct constituting the alleged violation which is under

investigation and the provisions of law applicable to such violation.” In addition, courts evaluate the validity of a FTC’s CID against the purposes stated in the authorizing resolutions. *See F.T.C. v. Carter*, 636 F.2d 781, 789 (D.C. Cir. 1980). A court may *only* look at the resolutions to evaluate the scope of an investigation and not extraneous evidence. *See, e.g., F.T.C. v. Invention Submission Corp.*, 965 F.2d 1086, 1088 (D.C. Cir. 1992). As such, the FTC Operating Manual requires the following:

Investigational resolutions must adequately set forth the nature and scope of the investigation. The statement may be brief, but it must be specific enough to enable a court in an enforcement action to determine whether the investigation is within the authority of the Commission and the material demanded by the compulsory process is within the scope of the resolution.

O.M. 3.3.6.7.4.1.

Both resolutions that purportedly support the CIDs here fail to meet this requirement. The first resolution is dated April 15, 1999 and is a non-specific, generic template that only mentions the Fair Debt Collection Practices Act (“FDCPA”) without explaining any acts or practices that are the subject of the investigation. The resolution states only that its nature and scope is “to determine whether unnamed persons, partnerships, or corporations may be engaged in, or may have engaged in, acts or practices in violations of the Fair Debt Collection Practices Act, 15 U.S.C. §1692 *et seq.*, and/or Section V of the FTC Act, 15 U.S.C. § 45, as amended.” The second resolution is from nearly three decades ago and states that the nature and scope of the investigation is “[t]o determine whether certain unnamed creditors may be engaged in violation of the Truth in Lending Act, 15 U.S.C. § 1601, *et seq.* (1970), as amended, and Regulation Z, 12 C.F.R. § 226, *et seq.* [as well as § 5 of the FTC Act].”

These resolutions are so broad that they would apparently permit the FTC to investigate any person or entity with respect to any form of practice or conduct. Such broad, non-specific

resolutions are inconsistent with the statutory requirement imposed on the FTC when issuing valid CIDs. Moreover, these resolutions cannot be justified as “blanket resolutions.” The FTC Operating Manual clearly states that such blanket resolutions are appropriate only “in a limited number of instances,” such as the issuance of second requests in antitrust investigations. O.M. 3.3.6.7.4.3. As one court has noted, the bare recitation of “Section 5’s prohibition of unfair and deceptive practices . . . standing broadly alone would not serve very specific notice of [a resolution’s] purpose.” *Carter*, 636 F.2d at 788. Similarly, the mere reference to the FDCPA and Truth in Lending Act do not provide specific notice. Therefore, the CIDs here were not issued pursuant to a resolution that reasonably defines the nature and scope of the investigation. As such, the CIDs are not authorized and should be quashed in their entirety.

C. The CIDs Should be Quashed or Limited as They Neither State the Nature of the Conduct that Would Constitute an Alleged Violation Nor Comply with Requirements for the Demand for Oral Testimony

The FTC Act requires that each CID issued “shall state the nature of the conduct constituting the alleged violation which is under investigation and the provisions of law applicable to such violation.” 15 U.S.C. § 57b-1(c)(2). This requirement is incorporated into the FTC’s Operating Manual where it states, “[f]or each type of CID, the Commission is required to state in the demand, ‘the nature of the conduct constituting the alleged violation.’” O.M. 3.3.6.7.5.3. The CIDs here state Petitioners will be informed about the challenged conduct, activities, or proposed action in “Item 3.” However, Item 3 only says “See attached resolutions.” As described above, these resolutions are void of any description of any alleged conduct. Nowhere is the conduct that would constitute the alleged violation made known. The failure to describe at all the nature of the conduct is another reason the CIDs should be quashed in their entirety.

In addition, by statute, CIDs that demand the giving of oral testimony “shall prescribe the date, time, and place at which oral testimony shall be commenced; and identify a Commission investigator who shall conduct the investigation and the custodian to whom the transcript of such investigation shall be submitted.” 15 U.S.C. § 57b-1(c)(6). The CIDs issued here fail to meet these requirements. *See* Exhibit A, at 16. The CIDs do not give a date, a time, and place where oral testimony is to be provided. As such, the CIDs should be quashed in their entirety.

D. The CIDs Should be Quashed or Limited as They Are Irrelevant, Overly Broad, and Fail to Allow a Reasonable Time to Comply That Results in Them Being Unduly Burdensome

The Federal Rules of Civil Procedure allow a party to a lawsuit to serve no more than 25 interrogatories on another party, “including all discrete subparts.” Fed. R. Civ. P. 33(a)(1). Similarly, the FTC’s own Rules of Practice for Adjudicative Proceedings state that “[a]ny party may serve upon any other party written interrogatories, not exceeding 25 in number, including all discrete subparts.” 16 C.F.R. § 3.35(a). The CIDs served on Petitioners contain **in excess of 40** interrogatories, including subparts, and **over 30** requests for document production. As such, the CIDs are facially overbroad and unduly burdensome.

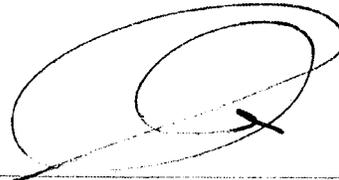
Furthermore, many of the interrogatories are overly broad and implicate millions of loans involved in Petitioners’ business over a six year period of time. *See generally* Exhibit A; Exhibit B, Affidavit of Casey Lomber, at ¶¶ 3-4. By statute, “[e]ach civil investigative demand . . . shall . . . prescribe a return date or dates which will provide a **reasonable period of time** within which the material so demanded may be assembled and made available for inspection and copying.” 15 U.S.C. § 57b-1(c)3 (emphasis added). To retrieve, review and produce such detailed information demanded by the CIDs would require Petitioners to examine millions of pages of documents. Exhibit B, at ¶¶ 3-5. Coupled with the fact that the time to comply with the CIDs is

only 20 days from when Petitioners were served with them make such demands unduly burdensome and will cause great disruption to their course of business. The Commission's counsel agreed to a slight modification of the time to comply and years implicated by the CIDs. *See* Exhibit C, February 15, 2011 Letter from Sana Coleman Chriss. The modification shortened the relevant time frame from 2008 to 2010. Exhibit C, at 2. Nevertheless, even for the modified time period, the total loans disbursed exceeds 1 million, the total unique clients applying for loans exceeds 1.1 million, and the total corresponding general notations that would need to be reviewed to fully comply with the CIDs exceeds 6.6 million. Exhibit B, at ¶¶ 3-5. Thus, such minimal concessions and the express reservation by the Commission's counsel "to demand full production of the CIDs dated January 26, 2011" changes little in the excessive burden placed on Petitioners by these CIDs. Exhibit C, at 2. Since the CIDs issued are overly broad, implicate irrelevant information, and do not provide a reasonable time to comply, they should be quashed or limited.

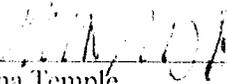
III. Conclusion

For the reasons discussed above, the Petitioners request that the Commission quash the CIDs, or in the alternative, extensively limit them.

Dated: February 22, 2011



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(423) 648-0546 (Facsimile)
Attorney for Credit Protection Depot, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of February, 2011, I caused the original and twelve (12) copies of **CAREY V. BROWN, CREDIT PAYMENT SERVICES, INC., CREDIT PROTECTION DEPOT, INC., DISCOUNTADVANCES.COM, DISCOUNT ADVANCES DOT COM, INC., MIDLAND FINANCIAL MANAGEMENT CORP., MYCASHNOW.COM, MY CASH NOW, INC., AND PAYDAYMAX.COM'S PETITION TO LIMIT OR QUASH CIVIL INVESTIGATIVE DEMANDS** with attached exhibits to be hand delivered to the Secretary of the Federal Trade Commission at the following address:

Federal Trade Commission
600 Pennsylvania Avenue, NW, H-172
Washington, D.C. 20580

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Attorney for Petitioners

EXHIBIT A



United States of America
Federal Trade Commission

CIVIL INVESTIGATIVE DEMAND

1. TO

Carey V. Brown
4050 Stratton Lane
Ooltewah, TN 37363-8517

This demand is issued pursuant to Section 20 of the Federal Trade Commission Act, 15 U.S.C. § 57b-1, in the course of an investigation to determine whether there is, has been, or may be a violation of any laws administered by the Federal Trade Commission by conduct, activities or proposed action as described in Item 3.

2. ACTION REQUIRED

You are required to appear and testify.

LOCATION OF HEARING

Federal Trade Commission
225 Peachtree St., NE, Suite 1500
Atlanta, GA 30303

YOUR APPEARANCE WILL BE BEFORE

Sana Coleman Chriss or other designated person

DATE AND TIME OF HEARING OR DEPOSITION

You are required to produce all documents described in the attached schedule that are in your possession, custody, or control, and to make them available at your address indicated above for inspection and copying or reproduction at the date and time specified below.

You are required to answer the interrogatories or provide the written report described on the attached schedule. Answer each interrogatory or report separately and fully in writing. Submit your answers or report to the Records Custodian named in Item 4 on or before the date specified below.

DATE AND TIME THE DOCUMENTS MUST BE AVAILABLE

FEB 24 2011

3. SUBJECT OF INVESTIGATION

See attached resolutions.

4. RECORDS CUSTODIAN/DEPUTY RECORDS CUSTODIAN

Sana Coleman Chriss/Dama J. Brown, Attorneys
Federal Trade Commission
225 Peachtree St., NE, Suite 1500
Atlanta, GA 30303

5. COMMISSION COUNSEL

Sana Coleman Chriss, Attorney
Federal Trade Commission
225 Peachtree St., NE, Suite 1500
Atlanta, GA 30303
(404) 856-1384

DATE ISSUED

1.25.11

COMMISSIONER'S SIGNATURE

INSTRUCTIONS AND NOTICES

The delivery of this demand to you by any method prescribed by the Commission's Rules of Practice is legal service and may subject you to a penalty imposed by law for failure to comply. The production of documents or the submission of answers and report in response to this demand must be made under a sworn certificate, in the form printed on the second page of this demand, by the person to whom this demand is directed or, if not a natural person, by a person or persons having knowledge of the facts and circumstances of such production or responsible for answering each interrogatory or report question. This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

PETITION TO LIMIT OR QUASH

The Commission's Rules of Practice require that any petition to limit or quash this demand be filed within 20 days after service, or, if the return date is less than 20 days after service, prior to the return date. The original and twelve copies of the petition must be filed with the Secretary of the Federal Trade Commission, and one copy should be sent to the Commission Counsel named in Item 5.

YOUR RIGHTS TO REGULATORY ENFORCEMENT FAIRNESS

The FTC has a longstanding commitment to a fair regulatory enforcement environment. If you are a small business (under Small Business Administration standards), you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

The FTC strictly forbids retaliatory acts by its employees, and you will not be penalized for expressing a concern about these activities.

TRAVEL EXPENSES

Use the enclosed travel voucher to claim compensation to which you are entitled as a witness for the Commission. The completed travel voucher and this demand should be presented to Commission Counsel for payment. If you are permanently or temporarily living somewhere other than the address on this demand and it would require excessive travel for you to appear, you must get prior approval from Commission Counsel.

Form of Certificate of Compliance*

I/We do certify that all of the documents and information required by the attached Civil Investigative Demand which are in the possession, custody, control, or knowledge of the person to whom the demand is directed have been submitted to a custodian named herein.

If a document responsive to this Civil Investigative Demand has not been submitted, the objections to its submission and the reasons for the objection have been stated.

If an interrogatory or a portion of the request has not been fully answered or a portion of the report has not been completed, the objections to such interrogatory or uncompleted portion and the reasons for the objections have been stated.

Signature _____

Title _____

Sworn to before me this day

Notary Public

*In the event that more than one person is responsible for complying with this demand, the certificate shall identify the documents for which each certifying individual was responsible. In place of a sworn statement, the above certificate of compliance may be supported by an unsworn declaration as provided for by 28 U.S.C. § 1746.

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS: Robert Pitofsky, Chairman
Sheila F. Anthony
Mozelle W. Thompson
Orson Swindle

RESOLUTION DIRECTING USE OF COMPULSORY PROCESS IN NONPUBLIC
INVESTIGATION INTO THE ACTS AND PRACTICES OF UNNAMED PERSONS,
PARTNERSHIPS AND CORPORATIONS ENGAGED IN ACTS OR PRACTICES IN
VIOLATION OF 15 U.S.C. § 1692 ET SEQ. AND/OR 15 U.S.C. § 45

File No. 992-3140

Nature and Scope of Investigation:

An investigation to determine whether, in the process of collecting debts, unnamed persons, partnerships or corporations may be engaging in, or may have engaged in, acts or practices in violation of the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq., and/or Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, as amended. Such investigation shall, in addition, determine whether Commission action to obtain redress of injury to consumers or others would be in the public interest.

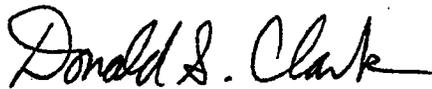
The Federal Trade Commission hereby resolves and directs that any and all compulsory processes available to it be used in connection with this investigation.

Authority to Conduct Investigation:

Sections 6, 9, 10, and 20 of the Federal Trade Commission Act, 15 U.S.C. §§ 46, 49, 50 and 57b-1, as amended; FTC Procedures and Rules of Practice, 16 C.F.R. 1.1 et seq. and supplements thereto.

Title VIII of the Consumer Credit Protection Act, Section 814, 15 U.S.C. § 1692j.

By direction of the Commission.



Donald S. Clark
Secretary

Dated: April 15, 1999

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

COMMISSIONERS: James C. Miller III, Chairman
David A. Clanton
Michael Pertschuk
Patricia P. Bailey

RESOLUTION DIRECTING USE OF COMPULSORY
PROCESS IN NONPUBLIC INVESTIGATION
INTO THE ACTS AND PRACTICES OF
VARIOUS UNNAMED CREDITORS

File No. 782 3071

Nature and Scope of Investigation:

To determine whether certain unnamed creditors may be engaged in violation of the Truth in Lending Act, 15 U.S.C. §1601, et seq. (1970), as amended, and Regulation Z, 12 C.F.R. §226, et seq., and whether they may be engaged in unfair or deceptive acts and practices in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. §45, as amended, including: the failure to accurately calculate or disclose the finance charge and the failure to accurately calculate or disclose the annual percentage rate of finance charge (APR).

The investigation is also to determine whether Commission action to obtain redress for injury to consumers or others may be in the public interest.

The Federal Trade Commission hereby resolves and directs that any and all compulsory process available to it be used in connection with this investigation.

Authority to Conduct Investigation:

Sections 6, 9, 10 and 20 of the Federal Trade Commission Act, 15 U.S.C. §§46, 49, 50 and 57b-1; F.T.C. Procedures and Rules of Practice, 16 C.F.R. §1.1 et seq. and supplements thereto; Title I (Truth in Lending) of the Consumer Credit Protection Act §108(c), 15 U.S.C. §1607(c); Federal Reserve Board Regulation Z, 12 C.F.R. §226.1(b).

By direction of the Commission.



Carol M. Thomas
Secretary

DATED: May 20, 1982

**CIVIL INVESTIGATIVE DEMAND
SCHEDULE FOR PRODUCTION OF DOCUMENTS, ANSWERS TO WRITTEN
INTERROGATORIES, AND ORAL TESTIMONY**

**To: Carey V. Brown
4050 Stratton Lane
Ooltewah, TN 37363**

I. DEFINITIONS

As used in this Civil Investigative Demand, the following definitions shall apply:

- A. "And," as well as "or," shall be construed both conjunctively and disjunctively, as necessary, in order to bring within the scope of any specification in the Schedule all information that otherwise might be construed to be outside the scope of the specification.
- B. "Any" shall be construed to include "all," and "all" shall be construed to include the word "any."
- C. "CID" shall mean this Civil Investigative Demand, including the attached Resolutions and this Schedule, and including the Definitions, Instructions, and Specifications.
- D. "Companies" shall mean **Credit Payment Services, Inc., Credit Protection Depot, Inc., discountadvances.com, Discount Advances Dot Com, Inc., Midland Financial Management Corp., mycashnow.com, My Cash Now, Inc., paydaymax.com**, together or individually, their wholly or partially owned subsidiaries, unincorporated divisions, joint ventures, operations under assumed names, and affiliates, and all directors, officers, employees, agents, consultants, and other persons working for or on behalf of the foregoing. The term shall include any descriptor used by the Companies in their business practices.
- E. "Consumer" shall mean any person for which the Companies have received a loan application or have attempted or are attempting to collect a debt.
- F. "Debt" and "debt collector" shall have the same meaning as those terms are defined in §§ 803(5) and (6) of the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692a(5) and (6) (the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1601, 1692 *et seq.*, is hereinafter referred to as "FDCPA").
- G. "Document" shall mean the complete original and any non-identical copy (whether different from the original because of notations on the copy or otherwise), regardless of origin or location, of any written, typed, printed, transcribed, taped, recorded, filmed, punched, or graphic matter of every type and description, however and by whomever prepared, produced, disseminated or made, including but not limited to any advertisement, book, pamphlet, periodical, contract, correspondence, file, invoice, memorandum, note, telegram, report, record,

handwritten note, working paper, routing slip, chart, graph, paper, index, map, tabulation, manual, guide, outline, script, abstract, history, calendar, diary, agenda, minute, code book or label. "Document" shall also include Electronically Stored Information.

H. "Each" shall be construed to include "every," and "every" shall be construed to include "each."

I. "Electronically Stored Information" or "ESI" shall mean the complete original and any non-identical copy (whether different from the original because of notations, different metadata, or otherwise), regardless of origin or location, of any electronically created or stored information, including but not limited to electronic mail, instant messaging, videoconferencing and other electronic correspondence (whether, active, archived, or in a deleted items folder), word processing files, spreadsheets, databases, and sound recordings, whether stored on cards, magnetic or electronic tapes, disks, computer files, computer or other drives, cell phones, Blackberry, PDA, or other storage media, and such technical assistance or instructions as will enable conversion of such ESI into a reasonably usable form.

J. "FTC" or "Commission" shall mean the Federal Trade Commission.

K. "Identify" or "the identity of" shall be construed to require identification of (a) natural persons by name, title, present business affiliation, present business address and telephone number, or if a present business affiliation or present business address is not known, the last known business and home addresses; and (b) businesses or other organizations by name, address, identities of natural persons who are officers, directors or managers of the business or organization, and contact persons, where applicable.

L. "Referring to" or "relating to" shall mean discussing, describing, reflecting, containing, analyzing, studying, reporting, commenting, evidencing, constituting, setting forth, considering, recommending, concerning, or pertaining to, in whole or in part.

M. "You" and "Your" shall mean the person or entity to whom this CID is issued and includes the "Companies."

N. The singular shall be construed to include the plural, and the plural shall be construed to include the singular.

II. INSTRUCTIONS

A. **Sharing of Information:** The Commission often makes its files available to other civil and criminal federal, state, local, or foreign law enforcement agencies. The Commission may make information supplied by you available to such agencies where appropriate pursuant to the Federal Trade Commission Act and 16 C.F.R. § 4.11 (c) and (j). Information you provide may be used in any federal, state, or foreign civil or criminal proceeding by the Commission or other agencies.

B. Meet and Confer: You must contact **Sana Coleman Chriss** at (404) 656-1364 as soon as possible to schedule a meeting (telephonic or in person) to be held within ten (10) days after receipt of this CID in order to confer regarding your production of documents and/or information.

C. Applicable time period: Unless otherwise directed in the Specifications, the applicable time period for the request shall be from January 1, 2005, until the date of full and complete compliance with this CID.

D. Claims of Privilege: If any material called for by this CID is withheld based on a claim of privilege or any similar claim, the claim must be asserted no later than the return date of this CID. In addition, pursuant to 16 C.F.R. § 2.8A(a), submit, together with the claim, a schedule of the items or information withheld, stating individually as to each item:

1. the type, specific subject matter, date, and number of pages of the item;
2. the names, addresses, positions, and organizations of all authors and recipients of the item; and
3. the specific grounds for claiming that the item is privileged.

If only some portion of any responsive material is privileged, all non-privileged portions of the material must be submitted. A petition to limit or quash this CID shall not be filed solely for the purpose of asserting a claim of privilege. 16 C.F.R. § 2.8A(b).

E. Document Retention: You shall retain all documentary materials used in the preparation of responses to the specifications of this CID. The Commission may require the submission of additional documents at a later time during this investigation. Accordingly, you should suspend any routine procedures for document destruction and take other measures to prevent the destruction of documents that are in any way relevant to this investigation during its pendency, irrespective of whether you believe such documents are protected from discovery by privilege or otherwise. See 15 U.S.C. § 50; see also, 18 U.S.C. §§ 1505, 1519. If for any specification, there are documents that would be responsive to this CID, but were destroyed, mislaid, transferred, deleted, altered, or over-written, describe the date and the circumstances.

F. Petitions to Limit or Quash: Any petition to limit or quash this CID must be filed with the Secretary of the Commission no later than twenty (20) days after service of the CID, or, if the return date is less than twenty (20) days after service, prior to the return date. Such petition shall set forth all assertions of privilege or other factual and legal objections to the CID, including all appropriate arguments, affidavits, and other supporting documentation. 16 C.F.R. § 2.7(d).

G. Procedures: This CID is issued pursuant to Section 20 of the Federal Trade

Commission Act, 15 U.S.C. § 57b-1. The taking of oral testimony pursuant to this CID will be conducted in conformity with that section and with Part 2A of the Commission's Rules, 16 C.F.R. §§ 2.8-2.9.

H. **Modification of Specifications:** If you believe that the scope of the required search or response for any specification can be narrowed consistent with the Commission's need for documents or information, you are encouraged to discuss such possible modifications, including any modifications of definitions and instructions, with **Sana Coleman Chriss at (404) 656-1364**. All such modifications must be agreed to in writing by an Associate Director, Regional Director, or Assistant Regional Director. 16 C.F.R. § 2.7(c).

I. **Certification:** You shall certify that the response to this CID is complete. This certification shall be made in the form set out on the back of the CID form, or by a declaration under penalty of perjury as provided by 28 U.S.C. § 1746.

J. **Scope of Search:** This CID covers documents in your possession or under your actual or constructive custody or control, including, but not limited to, documents and information in the possession, custody, or control of your attorneys, accountants, directors, officers, employees, and other agents and consultants, whether or not such documents were received from or disseminated to any person or entity.

K. **Document Production:** You shall produce the documentary material by making all responsive documents available for inspection and copying at your principal place of business. Alternatively, you may elect to send all responsive documents to **Sana Coleman Chriss, Federal Trade Commission, Southeast Region, 225 Peachtree Street, NE, Suite 1500, Atlanta, GA 30303**. Notice of your intended method of production shall be given by mail or telephone to **Sana Coleman Chriss at (404) 656-1364** at least five days prior to the return date.

L. **Document Identification:** Documents that may be responsive to more than one specification of this CID need not be submitted more than once; however, your response should indicate, for each document submitted, each specification to which the document is responsive. If any documents responsive to this CID have been previously supplied to the Commission, you may comply with this CID by identifying the document(s) previously provided and the date of submission. Documents should be produced in the order in which they appear in your files and without being shuffled or otherwise rearranged; if documents are removed from their original folders, binders, covers, or containers in order to be produced, then the documents shall be identified in a manner so as to clearly specify the folder, binder, cover, or container from which such documents came. In addition, number by page all documents in your submission and indicate the total number of documents in your submission. Also number all media in your submission which contain ESI and indicate the contents of the media.

M. **Production of Copies:** Unless otherwise stated, legible photocopies may be submitted in lieu of original documents, provided that the originals are retained in their state at the time of receipt of this CID. Further, copies of original documents may be submitted in lieu of originals

only if they are true, correct, and complete copies of the original documents; provided, however, that submission of a copy shall constitute a waiver of any claim as to the authenticity of the copy should it be necessary to introduce such copy into evidence in any Commission proceeding or court of law; and provided further that you shall retain the original documents and produce them to Commission staff upon request. Copies of marketing materials and advertisements shall be produced in color, and copies of other materials shall be produced in color if necessary to interpret them or render them intelligible.

N. **Submission of Electronically Stored Information ("ESI"):** The following guidelines refer to any ESI you submit. But, before submitting any ESI, you must confirm with the FTC that the proposed formats and media types that contain such ESI will be acceptable to the government.

- (1) Magnetic and other electronic media types accepted
 - (a) CD-R CD-ROMs formatted to ISO 9660 specifications.
 - (b) DVD-ROM for Windows-compatible personal computers.
 - (c) IDE and EIDE hard disk drives, formatted in Microsoft Windows-compatible, uncompressed data.

Note: Other types of tape media used for archival, backup or other purposes such as 4mm & 8mm DAT and other cassette, mini-cartridge, cartridge, and DAT/helical scan tapes, DLT or other types of media will be accepted only with prior approval.

- (2) File and record formats
 - (a) E-mail: The FTC accepts MS Outlook PST files, MS Outlook MSG files, and Lotus Notes NSF files. Any other electronic submission of email accepted only with prior approval.
 - (b) Scanned Documents: Image submissions accepted with the understanding that unreadable images will be resubmitted in original, hard copy format in a timely manner. Scanned Documents must adhere to the following specifications:
 - (i) All images must be multi-page, 300 DPI - Group IV TIFF files named for the beginning bates number.
 - (ii) If the full text of the Document is available, that should be provided as well. The text should be provided in one file for the entire Document or email, named the same as the first TIFF file of the Document with a *.TXT extension.

Note: Single-page, 300 DPI – Group IV TIFF files may be submitted with prior approval if accompanied by an acceptable load file such as a Summation or Concordance image load file which denotes the appropriate information to allow the loading of the images into a Document management system with all Document breaks (document delimitation) preserved. OCR accompanying single-page TIFF submissions should be located in the same folder and named the same as the corresponding TIFF page it was extracted from, with a *.TXT extension.

- (c) Other ESI files: The FTC accepts word processing Documents in ASCII text, WordPerfect version X3 or earlier, or Microsoft Word 2003 version or earlier. Spreadsheets should be in MS Excel 2003 (*.xls) version or earlier. Database files should be in MS Access 2003 or earlier. PowerPoint presentations may be submitted in MS PowerPoint 2003 or earlier. Other proprietary formats for PC files should not be submitted without prior approval. Files may be submitted using the compressed ZIP format to reduce size and ease portability. Adobe Acrobat PDF (*.pdf) may be submitted where the normal business practice storage method is PDF.

Note: Database files may also be submitted with prior approval as delimited ASCII text files, with field names as the first record, or as fixed-length flat files with appropriate record layout. For ASCII text files, field-level documentation should also be provided and care taken so that delimiters and quote characters do not appear in the data. The FTC may require a sample of the data to be sent for testing.

(3) Security

- (a) All submissions of ESI to the FTC must be free of computer viruses. In addition, any passwords protecting Documents or files must be removed or provided to the FTC.
- (b) Magnetic media shall be carefully packed to avoid damage and must be clearly marked on the outside of the shipping container:

**MAGNETIC MEDIA – DO NOT X-RAY
MAY BE OPENED FOR POSTAL INSPECTION.**

O. **Sensitive Personally Identifiable Information**: If any material called for by these requests contains sensitive personally identifiable information or sensitive health information of any individual, please contact us before sending those materials to discuss ways to protect such information during production.

For purposes of these requests, sensitive personally identifiable information includes: an individual's Social Security number alone; or an individual's name or address or phone number in combination with one or more of the following: date of birth, Social Security number, driver's license number or other state identification number, or a foreign country equivalent, passport number, financial account number, credit card number, or debit card number. Sensitive health information includes medical records and other individually identifiable health information relating to the past, present, or future physical or mental health or conditions of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual.

P. Information Identification: Each specification and subspecification of this CID shall be answered separately and fully in writing under oath. All information submitted shall be clearly and precisely identified as to the specification(s) or subspecification(s) to which it is responsive.

III. SPECIFICATIONS

A. INTERROGATORIES

Please provide the following information:

1. For you individually, state your complete legal name and identify your residential address, all names and addresses used to conduct business, and all Companies, entities, and websites that you supervised, managed, owned, or controlled in part or in whole, was an officer of, was a director of, or was an employee of any time during the applicable time period.
2. For each of the Companies and each of the entities identified in response to Interrogatory #1, describe the corporate structure, and identify all related entities, including parents, subsidiaries (whether wholly or partially owned), divisions (whether incorporated or not), affiliates, branches, charters, licenses, joint ventures, franchises, and operations under assumed names.
3. For each of the Companies and each of the entities identified in response to Interrogatories #1 and #2 (collectively, the "Entities"), state the date of organization, the place of organization, the principal place of business, and the names and addresses of any applicable registered agents.
4. For you, each of the Companies, and each of the Entities, describe the type of business conducted and the products or services that are offered or provided. Include a description of the types of entities or individuals to whom any products or services are provided.
5. For you, each of the Companies, and each of the Entities, describe all methods used to contact consumers, including but not limited to the Internet, including any Internet website, print ads, radio ads, television ads, text messages, communications to mobile communications devices, outbound telephone calls, or recorded phone messages.

6. For you individually, describe your involvement with each of the Companies and each of the Entities, including any role that you played in managing, directing, controlling, or participating in, any activities connected with the Companies or the Entities. Include dates indicating when and for how long you played these roles.
7. Describe any relationships that exist or have existed, in any combination, between you, any of the Companies, and any of the Entities. Include, for example, a discussion of whether you or any of the Companies owns or controls any of the other Companies, has a financial interest in any of the Companies, or has a contract, agreement, or other arrangement with any of the Companies to provide goods, perform services, license the use of any property, or permit any activity.
8. For each of the Companies and each of the Entities, identify all officers, directors, partners, principal shareholders, owners, managers, and other key employees and describe the role, function, and areas of responsibility each has held or holds. Include the dates that each identified individual served or has held an ownership interest in the Companies or Entities. If any identified individual was terminated, identify all reasons for the termination.
9. For you, each of the Companies, and each of the Entities, describe the policies and procedures regarding the intake and handling of consumer complaints. Describe how and where records of consumer complaints are retained.
10. Identify the names, addresses, and telephone numbers of all consumers who complained to you, any of the Companies, or any of the Entities.
11. If you or the officers, directors, partners, principal shareholders, owners, or managers of any of the Companies or any of the Entities, currently are or ever have been affiliated with a company that was sued by or subject to an administrative or court order by the Federal Trade Commission or an Attorney General of any state, provide the name, address, and telephone number of the company.
12. Identify any matter, including any investigation, action, arbitration or other proceeding conducted on behalf of any governmental agency or private consumer protection entity or any better business bureau organization involving you, any of the Companies, or any of the Entities. For each matter, identify the parties, the start and end dates, the nature of the controversy, and the final outcome.
13. Identify any lawsuit filed against you, any of the Companies, or any of the Entities by any individual or class for violation of any state or federal law. For each lawsuit identify: (a) the nature of the action; (b) the case number; (c) the court in which the action was filed; (d) the date it was filed; (e) the parties involved; and (f) the date and disposition of the action.

14. Identify any lawsuit filed by, or on behalf of, you, the Companies, or any of the Entities. For each lawsuit, identify: (a) the nature of the action; (b) the case number; (c) the court in which the action was filed; (d) the date it was filed; (e) the parties involved; and (f) the date and disposition of the action.
15. Identify the individuals in each of the Companies and each of the Entities who are or have been responsible for debt collection policies and procedures and ensuring that these policies and procedures are implemented by their respective employees. For each individual identified, indicate the responsibilities held and the dates for which he or she held them.
16. For each calendar year of the applicable time period, identify the number of consumer loans that went into default and the number of consumer loan accounts sent to collections by you, each of the Companies, and each of the Entities. Of the consumer loan accounts that were sent to collections, identify the number of accounts that were collected upon and the total amount of payments received.
17. Identify any entity for whom you, Credit Protection Depot, Inc., each of the other Companies, and each of the Entities provide or have provided debt collection services during the applicable time period.
18. Describe the debt collection policies and procedures implemented by you, each of the Companies, and each of the Entities relating to the following:
 - a. The times, according to the call recipient's time zone, during which employees are permitted to call consumers;
 - b. The manner in which employees are instructed to identify themselves when making calls to consumers and third parties;
 - c. The frequency with which calls may be made to the same: (1) consumer; (2) telephone number; or (3) office or place of work;
 - d. The language that may be used in and the content of calls to consumers and third parties, including all scripts, talk offs, or other written instructions provided to collectors;
 - e. The language that may be used in and the content of any websites owned, controlled, operated, held by, or affiliated with you, each of the Companies, and each of the Entities; and
 - f. The places at which consumers may be contacted, either by telephone or letter, including the consumers' places of work.

19. Describe the policies and procedures implemented by you, each of the Companies, and each of the Entities regarding the collection from consumers or debtors of any charges, interest, fees, or other assessments that are in excess of or in addition to the original debt or obligation. State the origin, amount, and authority for such charges.
20. Describe the policies and procedures implemented by you, each of the Companies, and each of the Entities regarding accepting less than full payment of the original debt or obligation as a settlement of the debt.
21. Describe the policies and procedures implemented by you, each of the Companies, and each of the Entities relating to circumstances under which third parties may be contacted in connection with collection of a debt. "Third parties" in this context include but are not limited to neighbors of the consumer, the employer of the consumer, members of the consumer's family (other than a spouse), answering machines, and facsimile machines. Describe the circumstances under which employees are not permitted to contact third parties.
22. Describe the policies and procedures implemented by you, each of the Companies, and each of the Entities that apply when a consumer or debtor indicates either orally or in writing that he or she: (a) refuses to pay the debt at issue; (b) wishes the debt collector to cease all further communications; (c) requests the debt collector to cease all further communications at the consumer's place of employment; (d) had the alleged debt discharged in bankruptcy; or (e) claims or believes that he or she does not owe the debt.
23. Describe the policies and procedures implemented by you, each of the Companies, and each of the Entities regarding the compensation of employees involved in debt collection, including the use of any commissions, awards, commendations, or monetary incentives for their efforts in collecting debts.
24. Describe the policies and procedures implemented by you, each of the Companies, and each of the Entities regarding how compliance with debt collection laws, including the FDCPA is monitored. Include a description of how call activity is monitored and how possible violations or complaints are investigated.
25. Describe training programs regarding compliance with the FDCPA that are implemented by you, each of the Companies, and each of the Entities. For example, state how often employees take part in training courses that focus primarily on the FDCPA. State how initial training and continued training for employees are implemented, as well as how the need for additional or remedial training is identified.
26. Describe the policies and procedures implemented by you and each of the Companies, and each of the Entities regarding how employees are warned, disciplined, or terminated for violations of the FDCPA. Identify any employees terminated for FDCPA violations.

27. Identify the individuals in each of the Companies and each of the Entities who are or have been responsible for consumer loan, consumer credit, and consumer financing policies and procedures and ensuring that these policies and procedures are implemented by their respective employees. For each individual identified, indicate the responsibilities held and the dates for which he or she held them.
28. For each calendar year of the applicable time period, identify the number of consumer loan, consumer credit, and consumer financing applications received, denied, and approved by you, each of the Companies, and each of the Entities.
29. For each calendar year of the applicable time period, identify for you, each of the Companies, and each of the Entities: (a) the total number of loans, including credit and financing loans, issued to consumers; (b) the total number of consumers that received loans, credit, or financing; and (c) the total volume of consumer loan, credit, and financing sales.
30. Describe the manner in which you, each of the Companies, and each of the Entities solicit, process, approve, provide, or deny consumer loan, consumer credit, and consumer financing applications and for providing consumer loans, consumer credit and consumer financing, including any procedures for: (a) determining an applicant's eligibility for the loan; (b) informing consumers about the approval or denial of a loan; (c) informing consumers about the amount of the loan; (d) disclosing loan-related fees or any other applicable fees to consumers; (e) identifying the Annual Percentage Rate; (f) determining the duration or term of a consumer's loan and whether that duration or term will be extended; (g) informing consumers about the duration or term of the loan; (h) approving any loan term extensions and informing consumers about any such extensions; (i) assessing fees and fines to be paid by a consumer, including fines imposed for failure to pay or properly extend a loan; and (j) presenting consumers' checks or transmitting consumers' check information or debit card numbers for payment and/or re-submitting such checks to the extent they are returned for insufficient funds, including any fees or charges that accrue to consumers. Include any details concerning the use of the Internet, websites, or email accounts, including, for example, the use of any websites to disclose rate information to consumers or the use of email accounts to inform consumers about the status of their loans.
31. Describe the policies and procedures implemented by you, each of the Companies, and each of the Entities regarding how compliance with the Truth in Lending Act, 15 U.S.C. §§ 1601-1667e ("TILA") is monitored, including how possible violations or complaints are monitored.
32. Describe training programs regarding compliance with TILA that are implemented by you, each of the Companies, and each of the Entities. For example, state how often employees take part in training courses that focus primarily on TILA. State how initial training and continued training for employees are implemented, as well as how the need for additional or remedial training is identified.

33. Describe the policies and procedures implemented by you, each of the Companies, and each of the Entities regarding how employees are warned, disciplined, or terminated for violations of TILA. Identify any employees terminated for TILA violations.
34. Describe policies and procedures implemented by you, each of the Companies, and each of the Entities regarding accepting any payments by: (a) check information debits; (b) credit card or debit card charge; or (c) personal check or money order. Include in the description the manner and form of the authorization obtained from the consumer for any payments accepted by (a) or (b).
35. Identify all persons, with the exception of attorneys and their assistants, who participated in the preparation of responses to this CID.

B. DOCUMENTARY MATERIALS

Please produce the following documents for you, each of the Companies, and each of the Entities:

1. All records and documents sufficient to identify and describe in detail your individual: (a) place of employment; (b) job title; (c) job description; (d) ownership duties; (e) responsibilities; (f) salary; (g) bonus and/or bonus adjustments; and (h) all other benefits and performance evaluations. Responsive documents include but are not limited to your employment contracts; documents sufficient to identify and describe in detail the physical locations of business offices maintained by you and the daily average number of hours you spend at each such location; compensation agreements; paychecks; any check-signing authority examples, such as paychecks from you to employees, vendors, suppliers, contractors, or government agencies; documents relating to any decisions made by you related to products or services, hiring, promotion, and disciplinary actions; and documents relating to any policies and procedures considered, made, authorized, or approved by you.
2. Articles of Incorporation; Articles of Organization; Partnership or Shareholder Agreements; Trademark applications; licensing agreements; Minutes Books, including any books containing corporate minutes, board meeting minutes, management meeting minutes, operating agreements; and any origination documents.
3. All non-identical organizational charts or other documents that identify and show the hierarchy of officers, directors, partners, principal shareholders, owners, managers, and other key employees, with an indication of the date(s) represented by each chart or other documents.
4. For each calendar year of the applicable time period, balance sheets, federal and state income tax returns, profit and loss statements, and statements of income and expenses for the applicable time period.

5. Representative copies of each advertisement or other promotional material disseminated through any media, including material disseminated through the Internet, including any Internet website, print ads, radio ads, television ads, text messages, communications to mobile communications devices, outbound telephone calls, or recorded phone messages.
6. All records and documents that describe the relationships that exist or have existed, in any combination, between some or all of the Companies and the Entities. Responsive documents include but are not limited to all ownership agreements, shareholder agreements, trademark or service mark agreements, agreements to provide debt collection or loan processing services, licensing agreements, contracts between two or more Companies and Entities, and any other relevant documents.
7. All records and documents that include company rosters, employee lists, staff directories, or related documents.
8. All records and documents relating to the handling of consumer complaints, including the intake, investigation, tracking, and retention of consumer complaints. Responsive documents include but are not limited to any logs, spreadsheets, summaries, investigational findings, reports, or correspondence.
9. The complete consumer file of every consumer who complained about you, any of the Companies, or any of the Entities and responses to each complaint.
10. All complaints or petitions instituting lawsuits, settlements, and judgments, civil and criminal, naming you, any of the Companies, and any of the Entities as a defendant.
11. All records and documents that disclose any investigation, action, arbitration or other proceeding, regardless of date, from or on behalf of any governmental agency, or any better business organization involving you, any of the Companies, or any of the Entities.
12. All records and documents that describe policies and procedures relating to debt collection, including the following:
 - a. The times, according to the call recipient's time zone, during which employees are permitted to call consumers;
 - b. The manner in which employees are instructed to identify themselves when making calls to consumers and third parties;
 - c. The frequency with which calls may be made to the same: (1) consumer; (2) telephone number; or (3) office or place of work;
 - d. The language that may be used in and the content of calls to consumers and third parties, including all scripts, talk offs, or other written instructions provided to collectors;

- e. The content of any websites owned, controlled, operated, held by, or affiliated with you, each of the Companies, and each of the Entities; and
 - f. The places at which consumers may be contacted, either by telephone or letter, including the consumers' places of work.
13. All records and documents that describe policies and procedures regarding the collection of any charges, interest, fees or other assessments that are in excess of or in addition to the original debt or obligation.
 14. All records and documents that describe policies and procedures regarding accepting amounts less than the full amount of the original debt or obligation as settlement.
 15. All records and documents that describe policies and procedures relating to circumstances under which third parties may be contacted in connection with collection of a debt. "Third parties" in this context include but are not limited to neighbors of the consumer, the employer of the consumer, members of the consumer's family (other than the spouse), answering machines, and facsimile machines.
 16. All records and documents that describe policies and procedures concerning when a consumer or debtor indicates either orally or in writing that he or she: (a) refuses to pay the debt at issue; (b) wishes the debt collector to cease all further communications; (c) requests the debt collector to cease all further communications at the consumer's place of employment; or (d) had the alleged debt discharged in bankruptcy.
 17. All records and documents that describe policies and procedures regarding what documentation will be provided to consumers as verification when consumers dispute debts that either you, the Companies, or the Entities are attempting to collect.
 18. In connection with the collection of debts from consumers, provide a representative copy of each form or notice, including the envelopes, that you, each of the Companies, and each of the Entities send to a consumer or third party. List the dates of use for each representative form, notice, or envelope.
 19. All records and documents identifying employees who have received any commission, award, commendation, or monetary incentive (including bonuses, or contest prizes) for their efforts in collecting debts, and all records and documents that describe factors and criteria considered in giving the employees such commissions, awards, etc.
 20. All records and documents relating to how compliance with the FDCPA is monitored, including but not limited to policies and procedures, memoranda, compliance audits, and compliance reports.

21. All manuals, instructions, or other documents that relate to the training of debt collectors and other employees engaged in debt collection.
22. All records and documents relating to employees who have been reprimanded, sanctioned or had their employment terminated for reasons relating to noncompliance with the FDCPA including but not limited to personnel files and discipline reports.
23. All recordings of telephone calls, in whatever format stored, made in the process of attempting to collect a debt.
24. All records and documents that describe policies and procedures for advertising, soliciting, processing, approving, providing, or denying consumer loan, consumer credit, and consumer financing applications and for providing consumer loans, consumer credit and consumer financing, including procedures for: (a) determining an applicant's eligibility for the loan; (b) informing consumers about the approval or denial of a loan; (c) informing consumers about the amount of the loan; (d) disclosing loan-related fees or any other applicable fees to consumers; (e) identifying the Annual Percentage Rate; (f) determining the duration or term of a consumer's loan and whether that duration or term will be extended; (g) informing consumers about the duration or term of the loan; (h) approving any loan term extensions and informing consumers about any such extensions; (i) assessing fees and fines to be paid by a consumer, including fines imposed for failure to pay or properly extend a loan; and (j) presenting consumers' checks or transmitting consumers' check information or debit card numbers for payment and/or re-submitting such checks to the extent they are returned for insufficient funds, including any fees or charges that accrue to consumers. Include any records or documents that describe use of the Internet, any websites, or email accounts (e.g., the use of any websites to disclose information to consumers or the use of email accounts to inform consumers about their loans).
25. All records and documents relating to how compliance with TILA is monitored including but not limited to policies and procedures, memoranda, compliance audits, and compliance reports.
26. All manuals, instructions, or other documents relating to the training of employees who provide consumer loan services, consumer credit services, and consumer financing services.
27. All records and documents relating to employees who have been reprimanded, sanctioned or had their employment terminated for reasons relating to noncompliance with TILA.
28. All records and documents that describe policies and procedures regarding accepting payment or making deposits for loans to consumers by: (a) checking information debits; (b) credit card or debit card charge; or (c) personal check or money order. Include any records or documents that describe the manner and form of the authorization obtained from the consumer for payments accepted by (a) or (b).

C. ORAL TESTIMONY

1. Your background, education, work history, and experience providing consumer loans, consumer credit, or consumer financing, processing electronic payments, and engaging in debt collection.
2. The scope of your participation in, knowledge of, and authority over matters relating to the advertising, offering, or providing of consumer loans, consumer credit, consumer financing and payday loans and the collection thereof, and the processing of electronic payments by you, each of the Companies, and each of the Entities.
3. All subjects that arise from the interrogatories or documents requested in response to this Civil Investigative Demand.

EXHIBIT B

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

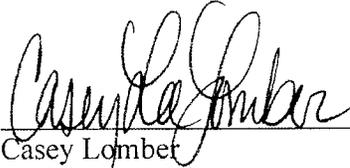
_____))
IN THE MATTER OF))
))
CAREY V. BROWN; CREDIT PAYMENT) File No. _____
SERVICES, INC.; CREDIT PROTECTION))
DEPOT, INC.; DISCOUNTADVANCES.COM;))
DISCOUNT ADVANCES))
DOT COM, INC.; MIDLAND FINANCIAL))
MANAGEMENT CORP.;))
MYCASHNOW.COM; MY CASH NOW, INC.;))
PAYDAYMAX.COM))
_____)

DECLARATION OF CASEY LOMBER

I, Casey Lomber, hereby declare and affirm under the penalties of perjury, as follows:

1. I am over the age of twenty-one (21) years.
2. I am currently employed by Credit Payment Services, Inc. ("CPS")
3. For 2008 through 2010, the total disbursed loans by CPS or a related entity were approximately 460,000; 480,000; and 540,000, respectively.
4. For 2008 through 2010, the number of unique clients which applied for loans was approximately 1.1 million.
5. For 2008 through 2010, the number of general notes relating to the unique clients who applied for loans during that time period was approximately 6.6 million.

I declare under penalty of perjury under the laws of the United States that the above statements are true and correct this 22nd day of February, 2011.



Casey Lomber

EXHIBIT C

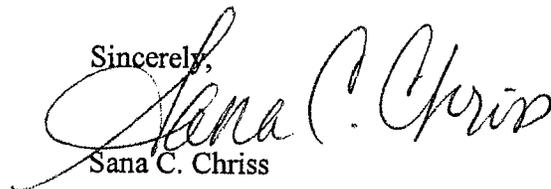
provide by March 24, 2011, full file documents for 100 loans for each of the companies. The selected loan files will be determined by the staff of the FTC.

3. The applicable time period for the CIDs is modified from January 1, 2005 to January 1, 2008, and extends until full and complete compliance with the CIDs.

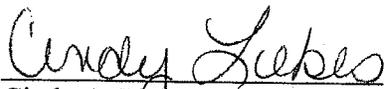
These modifications are made only for purposes of the CID Respondents' initial production, and without permanently waiving the FTC's right to demand full production of all of the Specifications in the CIDs dated January 26, 2011. The FTC expressly reserves its right to obtain all of the information and documentation requested by the CIDs to ensure satisfactory compliance with the CIDs.

To formalize these modifications, Cindy A. Liebes, Regional Director of the Southeast Regional Office of the FTC, has signed the bottom of this letter. I respectfully request that you do the same.

Sincerely,



Sana C. Chriss



Cindy A. Liebes
Regional Director
Southeast Regional Office
Federal Trade Commission

Steven Martin Aaron
Husch Blackwell LLP
4801 Main Street, Suite 1000
Kansas City, MO 64112