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COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT

SUPERIOR COURT-CIVIL
MICHAEL JOSEPH DONOVAN
CLERK/MAGISTRATE

<p>COMMONWEALTH OF MASSACHUSETTS,</p> <p>Plaintiff,</p> <p>v.</p> <p>EQUITABLE ACCEPTANCE CORPORATION,</p> <p>Defendant.</p>	<p>CONSENT JUDGMENT</p> <p>CIVIL ACTION NO. 19 - <u>84 CV 02519</u> B</p>
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JOINT MOTION FOR ENTRY OF FINAL JUDGMENT BY CONSENT

The Commonwealth of Massachusetts and Equitable Acceptance Corporation (collectively, the "Parties"), respectfully move this Court to enter this Final Judgment by Consent (attached as Exhibit A), pursuant to Rule 58 of the Massachusetts Rules of Civil Procedure. In support of this motion, the parties assert that there is no just cause for delay and that, without any admission or finding of wrongdoing or liability, the Defendant consents to the entry of the Final Judgment by Consent (attached as Exhibit B).

[Signatures on p. 2]

COMMONWEALTH OF MASSACHUSETTS
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EQUITABLE ACCEPTANCE CORPORATION



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EXHIBIT A

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT

<p>COMMONWEALTH OF MASSACHUSETTS,</p> <p>Plaintiff,</p> <p>v.</p> <p>EQUITABLE ACCEPTANCE CORPORATION,</p> <p>Defendant.</p>	<p>CONSENT JUDGMENT</p> <p>CIVIL ACTION NO. 19 - _____</p>
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FINAL JUDGMENT BY CONSENT

Plaintiff, the Commonwealth of Massachusetts (the “Commonwealth”) by and through its Attorney General, Maura Healey, and Defendant, Equitable Acceptance Corporation, (collectively, the “Parties”), submit for entry this Final Judgment by Consent (“Final Judgment”) without trial or adjudication.

WHEREAS, the Commonwealth alleges in its Complaint that Equitable Acceptance Corporation (“EAC”) engaged in unfair or deceptive conduct related to its consumer financing practices in violation of the Massachusetts Consumer Protection Act, G.L. c. 93A § 2; the Massachusetts Truth in Lending Act, G.L. c. 140D, § 1; Massachusetts Retail Installment Sales and Services Act, G.L. c. 255D; and the Massachusetts Debt Collection Regulations 940 CMR 7.07(2), 940 CMR 7.07(8) and 940 CMR 7.07(16). The Commonwealth alleges that the Defendant violated the G.L. c. 140D, § 1 by misrepresenting its “Revolving Credit Plan” to be an

“open end” transaction, when it is, in fact it is a closed end transaction; and failing to disclose the information required for “closed end” transactions. The Commonwealth alleges the Defendant violated G.L. c. 255D by not including the name and address of EAC on the retail installment sale agreements and by failing to inform the buyer orally at the time they signed the agreement of their right to cancel. The Commonwealth alleges the Defendant violated 940 CMR 7.07 by making excessive calls to debtors via telephone; and by collecting debts owed on retail installment sale agreements that violate G.L. c. 255D. The Commonwealth also alleges that the Defendant violated G.L. c. 93A by facilitating the unfair and deceptive conduct of Student Loan Debt Relief Companies or “Dealers” by funding the sale of their student loan document preparation services when the Defendants knew that the Dealers were engaging in unfair and deceptive conduct.

WHEREAS, the Defendant denies the Commonwealth’s allegations in the Complaint and any allegations of liability or wrongdoing;

WHEREAS, the Final Judgment shall not be construed as an admission, waiver of defenses, or finding of liability or wrongdoing by the Defendant and shall not ever be offered by the Commonwealth as such in any proceeding;

WHEREAS, the parties waive all rights to appeal or otherwise to challenge or contest the validity of this Final Judgment;

WHEREAS, the Parties wish to resolve this action through the entry of this Final Judgment;

NOW THEREFORE, based upon the Parties' joint motion and with the consent of the Defendant;

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

I. JURISDICTION

1. This Court has jurisdiction over the subject matter of this action pursuant to G.L. c. 93A, § 4 and G.L. c. 12, § 10, and over the Defendants pursuant to G. L. c. 223A, § 3.

II. VENUE

2. Venue is appropriate in Suffolk County pursuant to G.L. c. 223, § 5 and G.L. c. 93A, § 4.

III. PARTIES

3. Plaintiff is the Commonwealth of Massachusetts, represented by the Office of the Attorney General and acting on behalf of the Commonwealth of Massachusetts.

4. Defendant, Equitable Acceptance Corporation, is a Minnesota corporation, with a principal place of business located at 1200 Ford Road, Minnetonka, Minnesota 55305.

IV. DEFINITIONS

5. "Borrower(s)" shall refer to all residents of Massachusetts who obtained financing from EAC for the purchase of student loan debt relief services from Dealers.

6. "Effective Date" shall be the date that this Final Judgment is entered by the Court.

7. "Person(s)" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

8. “Student Loan Debt Relief Companies” or “Dealers” shall refer to companies that provide student loan borrowers with debt relief services such as document preparation services for various federal student loan repayment programs for a fee.

9. “Student Loan Debt Relief Service” shall refer to debt relief products or services such as document preparation and filing services for federal student loan repayment programs.

V. INJUNCTIVE RELIEF

10. Ban On Student Loan Debt Relief Services. EAC is permanently restrained and enjoined from financing the purchase of, or assisting a third party in the advertising, marketing, promoting, offering for sale, selling, financing the purchase of, any Student Loan Debt Relief Service.

11. Prohibition Against Misrepresentations Relating to Financial Products or Services. EAC, EAC’s officers, agents, employees, and attorneys, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, offering for sale, or selling of any financial product or service, are permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, expressly or by implication:

- a. The terms or rates that are available for any loan or other extension of credit, including:
 - i. Closing costs or other fees;
 - ii. The payment schedule, monthly payment amount(s), any balloon payment, or other payment terms;

- iii. The interest rate(s), annual percentage rate(s), or finance charge(s), and whether they are fixed or adjustable;
 - iv. The loan amount, credit amount, draw amount, or outstanding balance; the loan term, draw period, or maturity; or any other term of credit;
 - v. Whether any specified minimum payment amount covers both interest and principal, and whether the credit has or can result in negative amortization; or
 - vi. That the credit does not have a prepayment penalty or whether subsequent refinancing may trigger a prepayment penalty and/or other fees;
- b. The ability to improve or otherwise affect a consumer's credit record, credit history, credit rating, or ability to obtain credit, including that a consumer's credit record, credit history, credit rating, or ability to obtain credit can be improved by permanently removing current, accurate negative information from the consumer's credit record or history;
 - c. That a consumer will receive legal representation; or
 - d. Any other fact material to consumers concerning any good or service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

12. Prohibition Against Misrepresentations Relating to Any Product or Service. EAC, EAC's officers, agents, employees, and attorneys, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, offering for sale, or selling of any product or service, are permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, expressly or by implication:

- a. Any material aspect of the nature or terms of any refund, cancellation, exchange, or repurchase policy, including the likelihood of a consumer obtaining a full or partial refund, or the circumstances in which a full or partial refund will be granted to the consumer;
- b. That any Person is affiliated with, endorsed or approved by, or otherwise connected to any other Person; government entity; public, non-profit, or other noncommercial program; or any other program;
- c. The nature, expertise, position, or job title of any Person who provides any product, service, plan, or program; or
- d. Any other fact material to consumers concerning any good or service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

13. Required Disclosures. EAC, EAC's officers, agents, employees, and attorneys, and all other Persons in active concert or participation with any of them, who receive actual

notice of this Order, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, offering, or extension of credit, are permanently restrained and enjoined from:

- a. When extending a fixed amount of credit that a consumer is to repay in one or more installment(s), failing to disclose in writing (electronic or hard copy), clearly and conspicuously, and in a form that the consumer may keep, before the consumer signs the credit agreement, the following information in a manner reflecting the terms of the legal obligation between the parties:
 - i. The identity of the creditor;
 - ii. The amount financed;
 - iii. The finance charge;
 - iv. The annual percentage rate;
 - v. The payment schedule;
 - vi. The total of payments; or
- b. Violating any provision of the Massachusetts Consumer Credit Cost Disclosure Act, G.L. c. 140D.

14. Prohibition Against Collecting On Defendant's Student Loan Debt Relief Accounts. EAC, Defendant's officers, agents, employees, and attorneys, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are permanently enjoined from attempting to collect, collecting, or

assigning any right to collect payment from any Borrower on any debt or extension of credit related to the Borrower's purchase of services from any Student Loan Debt Relief Company (the "Borrower Debt"). EAC shall not sell, assign, or otherwise transfer any Borrower Debt. For each Borrower Debt that EAC has reported to a Consumer Reporting Agency (CRA), EAC shall, within ten (10) business days after entry of this Order, request that each CRA to which the debt has been reported delete the debt from the Borrower's credit reporting file. Within ten (10) business days of such request, EAC shall mail a notice to each affected Borrower. EAC shall certify to the Commonwealth compliance with this provision within ten (10) business days of the notices being mailed to the affected Borrowers.

15. EAC must identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commonwealth may use to communicate with EAC concerning compliance with this Final Judgment.

VI. MONETARY PAYMENT

16. EAC will pay the Attorney General \$100,000 to be used to compensate consumers for ascertainable losses related to EAC's practices. Unless otherwise directed by the AGO, this payment shall be made by wire transfer or certified check, made payable to the "Commonwealth of Massachusetts," and shall be delivered to Samantha Shusterman, Assistant Attorney General, Consumer Protection Division, Office of the Massachusetts Attorney General, One Ashburton Place, 18th floor, Boston, MA 02108.

17. The Attorney General, at her sole discretion, shall distribute payments to consumers to compensate for ascertainable losses related to the Defendant's practices, and shall distribute any remaining monies to the Massachusetts General Fund.

VII. RELEASE

18. Following full payment of the amounts due under this Final Judgment, the Attorney General shall release and discharge the Defendant and its affiliates, subsidiaries and divisions from all civil claims specifically alleged or based on facts alleged in the Complaint filed in this matter prior to the Effective Date of this Final Judgment. Nothing contained in this paragraph shall be construed to limit the ability of the Commonwealth to enforce the obligations that the Defendant has under this Final Judgment. Further, nothing in this Final Judgment shall be construed to create, waive, or limit any private right of action.

VIII. GENERAL PROVISIONS

19. Continuing Jurisdiction. The Suffolk Superior Court shall retain jurisdiction for the purpose of enforcing the terms of this Final Judgment or for granting such further relief as the Court deems just and proper. Any Party may seek to enforce the provisions of this Final Judgment.

20. Governing Law. The provisions of this Final Judgment shall be construed in accordance with the laws of the Commonwealth of Massachusetts.

21. Conduct Neither Condoned nor Admitted. Nothing in this Final Judgment constitutes an approval by the Commonwealth of any the Defendant's acts and practices, nor does it constitute any admission or finding by the Attorney General or the Court of any liability

or wrongdoing by the Defendant. This order is not and shall not be deemed to be a sanction or punishment of the Defendant by the Court, as this order merely represents a settlement of contested and disputed claims.

22. Effect of Court's Failure to Approve Final Judgment. If the Court does not approve this Final Judgment, the Final Judgment shall be of no force and effect against any of the Parties.

23. Severability. The provisions of this Final Judgment shall be severable and, should any provision be declared by a court of competent jurisdiction to be unenforceable, the other provisions of this Final Judgment shall remain in full force and effect.

24. Complete Resolution. This Final Judgment completely resolves this civil action. No promises, representations, or warranties relating to the resolution of this civil action other than those set forth in this Final Judgment have been made by any of the Parties. This Final Judgment supersedes all prior communications, discussions, or understandings, if any, of the Parties relating to the resolution of this civil action, whether oral or in writing.

25. Modification. No waiver, modification, or amendment of the terms of this Final Judgment shall be valid or binding unless made in writing, agreed to by all Parties, and approved by this Court, and then only to the extent specifically set forth in such written waiver, modification, or amendment.

26. Ongoing Obligation to Comply with the Law. Nothing in this Final Judgment shall be construed as relieving the Defendant of its duty to comply with all applicable federal and state laws, regulations, and rules nor does this Final Judgment constitute a finding that the

Defendant has failed to do so. If complying with any provision of the Final Judgment would cause the Defendant to act in a manner prohibited by or in contradiction of federal, state or local law, then the Defendant shall be relieved from any obligation to comply with that provision of this Final Judgment.

27. Non-Waiver. The failure of the Commonwealth to insist upon the strict performance of any of the provisions of this Final Judgment shall not be deemed a waiver of any of the provisions of this Final Judgment, and, notwithstanding such failure, the Commonwealth shall have the right thereafter to insist upon the specific performance of any of the provisions of this Final Judgment. This shall be without prejudice in the future to the imposition of any applicable penalties and any other remedies under applicable state or federal law, regulation, or rule.

28. Time is of the Essence. Time shall be of the essence with respect to each provision of this Final Judgment that requires action to be taken by the Responding Parties within a stated time period or upon a specified date.

29. This Final Judgment becomes effective upon entry by the Court.

APPROVED AND ORDERED:

Justice of the Superior Court

DATED: _____, 2019

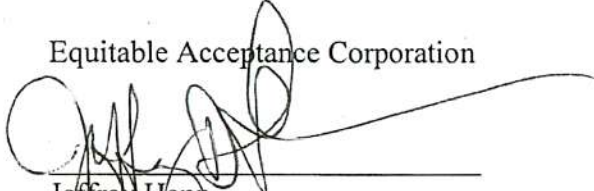
EXHIBIT B

**CONSENT OF EQUITABLE ACCEPTANCE CORPORATION
TO FINAL JUDGMENT**

Equitable Acceptance Corporation (“EAC”) admits to the continuing jurisdiction of the Suffolk Superior Court as to the personal and subject matter jurisdiction of this action and consents to the entry of this Final Judgment between the Commonwealth of Massachusetts, represented by the Office of the Attorney General and acting on behalf of the citizens of the Commonwealth of Massachusetts and EAC, to which this Consent is attached. In so consenting, EAC states that it has read and understands each numbered paragraph in the Final Judgment.

CONSENTED TO, WAIVING ALL RIGHTS OF APPEAL:

Equitable Acceptance Corporation

A large, stylized handwritten signature in black ink, appearing to read 'Jeffrey Henn', is written over a horizontal line.

Jeffrey Henn
Chief Executive Officer and President
Equitable Acceptance Corporation

Dated: 7/9/2019