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COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF BANKING 2010 AUG 23 PM 3:09

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU
OF COMPLIANCE, INVESTIGATION AND
LICENSING

v.

EAST SIDE LENDERS, LLC

Docket No.: 100186

PA DEPT OF BANKING

2010-SEP-3 AM 11:55
PA DEPT OF BANKING
FILED
(ENR C&D)

CEASE AND DESIST ORDER

WHEREAS, the Commonwealth of Pennsylvania Department of Banking, ("Department") is a Pennsylvania administrative agency authorized and empowered to administer and enforce the Consumer Discount Company Act ("CDCA") 7 P.S. § 6201 *et seq.*, and the Loan Interest and Protection Law ("LIPL"), 41 P.S. § 101 *et seq.*; and

WHEREAS, the Department's Bureau of Compliance, Investigation and Licensing ("Bureau") is the Bureau within the Department with the primary responsibility of administering and enforcing the CDCA and the LIPL for the Department; and

WHEREAS, the Department requires that persons who engage in the business of making loans in Pennsylvania of less than \$25,000 and who charge fees, interest or other considerations in excess of 6% simple interest per annum¹ for the loans be licensed as a consumer discount company; and

¹ Simple interest is defined as "interest paid or computed on the original principal only of a loan or on the amount of an account." See WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY 1099 (9th ed. 1989). Annum is defined as "Year." See BLACK'S LAW DICTIONARY 91 (6th ed. 1990). Thus, a person cannot engage in the business of lending in Pennsylvania amounts less than \$25,000 when the fees for the loan exceed more than 6% of the principal loan amount per year without a consumer discount company license.

WHEREAS, the Department also requires that persons who hold themselves out as willing or able to arrange for or negotiate loans in Pennsylvania of less than \$25,000 and charge fees, interest or other considerations exceeding 6% of the principal loan amount per year be licensed as a consumer discount company; and

BACKGROUND

WHEREAS, East Side Lenders, LLC ("East Side Lenders") is a Delaware limited liability company that does business at 2711 Centerville Rd, Suite 120-5900, Wilmington, DE 19808; and

WHEREAS, East Side Lenders advertises through its website at www.eastsidelenders.com that it provides payday loans to consumers (*See true and correct copies of pages from the website attached as Appendix A ("App. ___")*); and

WHEREAS, the website advertises that East Side Lenders "strives to set the standard for the online payday loan business" (*See App. A, p.1*); and

WHEREAS, the website provides as follows:

Your Payday Loan Application

- It's easy to apply online right now – it takes about 2 minutes
- Simply *complete the application form below and you'll get an immediate decision*
- You can borrow up to \$1000 today. No Faxing of documents required!
- Once approved and signed online, *we can send funds to your bank!*

(*See App. A, p.3*) (emphasis added); and

WHEREAS, the website solicits consumers to obtain a payday loan by providing a link where a consumer can "Apply Now!" (*See App. A, p.1*); and

WHEREAS, the website has a schedule showing the fees charged for the payday loan (See App. A, p.6); and

WHEREAS, Pennsylvania residents may apply for and receive a payday loan from East Side Lenders through the website; and

WHEREAS, Pennsylvania residents can access the website from their home computers; and

WHEREAS, East Side Lenders provides the payday loans to Pennsylvania residents by transmitting monies into their bank accounts; and

WHEREAS, Pennsylvania residents pay off the payday loans plus interest, fees and other considerations, by allowing East Side Lenders to debit the money from their bank accounts; and

WHEREAS, beginning on February 1, 2009, the Department required entities that offered payday loans or cash advances to Pennsylvania residents, or held themselves out to offer such loans, be licensed as consumer discount companies if the interest, fees and charges on the loans exceed 6% simple interest per annum; and

WHEREAS, by correspondence dated February 3, 2010, the Department notified East Side Lenders that it was required to obtain a consumer discount company license if it engaged in non-mortgage related lending to Pennsylvania consumers in which the aggregate interest, fees, charges or other considerations exceed 6% simple interest per annum (See a true and correct copy of the February 3, 2010 correspondence sent by first class and certified mail and search results evidencing delivery of the letter attached as App. B); and

WHEREAS, East Side Lenders is not licensed by the Department as a consumer discount company; and

CONSUMER COMPLAINTS

WHEREAS, on or about August 5, 2010, the Department received a complaint from an individual, _____, regarding East Side Lenders; and

WHEREAS, _____
and

WHEREAS, in _____ complaint, _____ expressed concern regarding the amount of fees that _____ had been paying East Side Lenders for a payday loan that _____ obtained from East Side Lenders; and

WHEREAS, _____ : received a payday loan from East Side Lenders on May 6, 2010 (See a true and correct copy of _____ Loan Agreement redacted to protect _____ personal information is attached as App. C); and

WHEREAS, _____ loan amount was \$500 and the annual percentage rate² charged on the loan was 1,368.75% resulting in a finance charge of \$150 (See App. C); and

WHEREAS, _____ is a Pennsylvania resident that obtained a loan from East Side Lenders in an amount less than \$25,000 in which the fees on the loan exceeded 6% simple interest per annum; and

WHEREAS, on or about June 8, 2010, the Department received a complaint from an individual, _____, regarding East Side Lenders; and

WHEREAS, in _____ complaint, _____ expressed concern that _____ was being charged excessive interest on a loan _____ obtained from East Side Lenders; and

WHEREAS, _____ received a payday loan from East Side Lenders in January 2010 (See a true and correct copy of _____ Loan Funding details provided to _____ by

² Annual percentage rate expresses on an annualized basis the charges imposed on the borrower to obtain a loan including interest, discount and other costs. See 15 U.S.C.S. §1606; see also MORTGAGE BANKERS ASSOCIATION OF AMERICA, 9th ed. Mortgage Banking Terms, A Working Glossary, p.10 (2002).

East Side Lenders via email and redacted to protect personal and confidential information attached as App. D); and

WHEREAS, loan amount was \$700 and the service fee charged on the loan was \$210 (*See* App. D, p.1); and

WHEREAS, is a Pennsylvania resident that obtained a loan from East Side Lenders in an amount less than \$25,000 in which the fees on the loan exceeded 6% simple interest per annum; and

WHEREAS, on or about January 22, 2010, the Department received another complaint involving East Side Lenders from an individual, and

WHEREAS, resides at

and

WHEREAS, in complaint, avers that in December 2009 applied for a payday loan in an amount of \$1,275 from East Side Lenders through its website; and

WHEREAS, to renew loan, had to pay East Side Lenders a "service fee" of \$275 (*See* a true and correct copy of an e-mail to from East Side Lenders regarding his loan redacted to protect his personal information attached as App. E); and

WHEREAS, asserted that renewed loan once because did not have money to pay for rent, food and utilities; and

WHEREAS, complained to the Department that is in over head with respect to the amount of money that owes East Side Lenders; and

WHEREAS, is a Pennsylvania resident that obtained a loan from East Side Lenders in an amount of less than \$25,000 in which the fees on the loan exceeded 6% simple interest per annum; and

WHEREAS, on July 1, 2010 the Department, through an employee, contacted East Side Lenders by telephone at 866-569-6636 to ascertain whether the company continues to offer payday loans to Pennsylvania residents; and

WHEREAS, a representative of East Side Lenders confirmed that the company offers and makes payday loans to Pennsylvania residents; and

VIOLATIONS

WHEREAS, by engaging in the business of negotiating and making loans of less than \$25,000 to Pennsylvania residents and by charging fees, interest, charges or other considerations in excess of 6% on the principal loan amount per year, without being licensed by the Department, East Side Lenders violated Section 3.A of the CDCA, 7 P.S. § 6203.A, and Section 201(a) of the LIPL, 41 P.S. § 201(a); *see also Cash Am. Net of Nev., LLC v. Dep't of Banking*, 978 A.2d 1028 (Pa. Cmwlth. 2009) (*appeal filed July 15, 2009, Docket No. 68 MAP 2009*); and

WHEREAS, by soliciting and holding itself out as willing or able to arrange for or negotiate loans of \$25,000 or less to Pennsylvania residents where the interest, fees, charges, or other considerations in the aggregate exceed 6% on the principal loan amount per year, without being licensed by the Department, East Side Lenders violated Section 3.B of the CDCA, 7 P.S. § 6203.B, and Section 201(a) of the LIPA, 41 P.S. § 201(a); *see also Cash Am. Net of Nev., LLC*; and

WHEREAS, because East Side Lenders engaged in unlicensed activity in violation of the CDCA and LIPL, the Department has the authority to, *inter alia*, order East Side Lenders to cease and desist the activity until licensed, require East Side Lenders to pay the costs of the Department's enforcement action, prohibit or permanently remove East Side Lenders from

continuing the activity, and to impose such other conditions as the Department deems appropriate, 41 P.S. §§ 506(c)(2)-(5); and

AND NOW THEREFORE, because East Side Lenders is engaged in the business of lending money in an amount less than \$25,000 to Pennsylvania residents and charging in excess of 6% simple interest per annum for the loan, without a license, and advertised and solicited such loans to Pennsylvania residents through its websites and attempted to collect on such loans, the Bureau, under the authority cited above, hereby imposes the following order ("Order"). Upon the effective date of this Order:

1. East Side Lenders shall immediately cease and desist from negotiating and making non-mortgage loans or advances of money on credit in an amount of \$25,000 or less in Pennsylvania and charging interest and fees in excess of 6% on the principal amount loaned per year until licensed by the Department to do such business.

2. East Side Lenders shall immediately cease and desist from advertising, soliciting, and arranging non-mortgage loans for Pennsylvania residents in an amount less than \$25,000 and charging interest, fees and other considerations in excess of 6% on the principal loan amount per year until licensed by the Department to do such business.

3. East Side Lenders shall immediately cease and desist from attempting to collect or collecting, directly or indirectly through third parties such as collection agencies, interest or any other considerations that exceed 6% simple interest per annum on non-mortgage loans of less than \$25,000 that it made to Pennsylvania residents since February 1, 2009.

4. East Side Lenders shall not transfer, assign or sell to any persons, companies or entities any non-mortgage loans of less than \$25,000 that it has made to Pennsylvania residents

since February 1, 2009 where the interest, fees or other considerations on the loans exceed 6% simple interest per annum.

5. East Side Lenders shall not purchase any non-mortgage loans of less than \$25,000 that it has made to Pennsylvania residents since February 1, 2009 where the interest, fees or other considerations on the loans exceed 6% simple interest per annum.

6. East Side Lenders shall not directly or indirectly (through third parties or collection agencies) file a negative report with any credit agency regarding any Pennsylvania resident to which it has provided a non-mortgage loan of less than \$25,000 since February 1, 2009 if the consumer has paid back the principal amount of the loan plus interest of up to (not in excess of) 6% simple interest per annum.

7. East Side Lenders shall refund to Pennsylvania residents (that have accepted a non-mortgage loan from East Side Lenders of less than \$25,000 since February 1, 2009) the amount of monies that the residents paid on loans that exceeded 6% simple interest per annum.

8. Within 10 days of the effective date of this Order, East Side Lenders shall provide to the Department a listing of loans and cash advances made to Pennsylvania residents from February 1, 2009 to the present. The listing shall include:

- a. The name, address and phone number of each consumer; and
- b. The date of the loan; and
- c. The terms of the loan including the amount financed, any and all charges, interest, fees or other considerations including, but not limited to interest charges, finance charges, renewal fees, and the total amount of payments to be paid by the resident; and
- d. The status of the loans including total amounts still owed by the resident to East Side Lenders or if the loans have been transferred to a third party such as another lender or

collection agency, when such transfer occurred and the contact information for the third party;
and

e. Any other additional information that the Department shall request relating to these loans as the Department deems necessary.

9. East Side Lenders shall pay a fine to the Department in an amount of \$30,000 for the violations of the CDCA and LIPL referenced in this Order.

10. East Side Lenders shall pay the reasonable costs and expenses incurred by the Department to commence and prosecute this enforcement action should East Side Lenders challenge this Order without success. To this end, the Department expressly requests a separate hearing to ascertain the amount of monies expended by the Department.

This Order shall not preclude the Department from commencing additional enforcement action against East Side Lenders and any additional entities, companies, or persons associated with East Side Lenders as it deems necessary.

IT IS SO ORDERED.

Ryan Walsh, Administrator
Department of Banking,
Bureau of Compliance, Investigation and Licensing

August 23, 2010
(Date)

Appendix A

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Why choose Eastside Lenders?

Eastside Lenders strives to set the standard for the online pay day loan business. We are dedicated to providing premier alternative financing- helping people receive a quick a pay day loan.

Your information is kept extremely confidential, private, and secure. To apply now just fill out the form above to begin the short process. You will receive an instant response on your qualification and if you are approved for a payday loan with Eastside Lenders, your money will be deposited directly into your account within 24 hours. Eastside Lenders strives to give you a website that is easy to understand and navigate.

We seek to meet our client's needs with quick, helpful financial information and tips. We take pride in our outstanding customer service and appreciate customer loyalty. The value and loyalty of our customers is never forgotten. If you find yourself needing another loan after your first payday loan, you have the option to renew your loan on the due date.

Our goal is to help you solve temporary money problems where cheaper alternatives are not available and a pay day loan will ease your stress. Every borrower has individual and unique needs and circumstances and our goal is to fulfill those needs.

Tips

Tip: If you decide to take out a payday loan borrow only as much as you can afford to pay back with your next paycheck and still have enough money to make it to your next paycheck.

Tip: Work with a company that will let you make installment payments. Financial emergencies sometimes take more money than you may have planned for. Pay day loans are a cheaper alternative when other ways are not available.

Testimonials

You are so wonderful. Seriously you have been so great to me. I will never use another company. You are the best!!!!

- Christie
 Salt Lake City, Utah

Today in the mail we received a turkey from Eastside lenders! I would like to thank you all from the bottom of my heart. What a wonderful thing to do! I hope you enjoy a wonderful Thanksgiving, and have a Happy Christmas. Your organization is a class act!

- Timothy
Seattle, Washington

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Your Payday Loan Application

- It's easy to apply online right now - It takes about 2 minutes
- Simply complete the application form below and you'll get an immediate decision
- You can borrow up to \$1000 today. No Faxing of documents required!
- Once approved and signed online, we can send funds to your bank!

Returning Customers

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Customer Information

First Name: _____	Last Name: _____	E-mail: _____
Date Of Birth: _____ -- [] -- [] -- []	Home Phone: _____ xxx-xxx-xxxx	Fax _____ xxx-xxx-xxxx
SSN: _____	How did you hear about us? Select []	Address: _____
Apt: _____	City: _____	State: Select []
Zip: _____	How long at this address? Yrs. Mos.	Drivers License State: Select []
License: _____	Loan Amount: Select []	

Employer Information

Job Title: _____	Work Phone: _____ xxx-xxx-xxxx X	Supervisor Name: _____
Supervisor Phone: _____ xxx-xxx-xxxx X	Employment Start Date: _____ -- [] -- [] -- []	Employer Name: _____
Address1: _____	Address2: _____	City: _____
State: Select []	Zip: _____	

Payroll Information

Main source of your income:
 Job Income Benefits Income
 Have you recently filed or are you planning to file for bankruptcy?
 No Yes

How often do you receive a paycheck?

Weekly Bi-Weekly Twice Monthly Monthly

Gross pay per paycheck:

\$.00

How do you receive your paycheck?

Direct Deposit Paper Check

Next Pay Date:



Second pay Date:



Bank Information

Bank Name:

ABA Number:

Account Number:

Account Type:

Checking Savings Debit Card

Bank Account Open Date:

- [] - [] - []

Reference Information

Please supply 2 contacts, one must be a relative NOT living with you.
We WILL NOT CONTACT any of your personal contacts to qualify your loan.

Personal Contact #1

First Name:

Last Name:

Phone:

Relation:

xxx-xxx-xxxx

Personal Contact #2

First Name:

Last Name:

Phone:

Relation:

xxx-xxx-xxxx

Additional Information

- Are you or your spouse an active military member?
- Can you be claimed as a dependent by an active military member?

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Contact Us

Do you have a question about Eastside Lenders or our services? Please [click here](#) to find answers to some commonly asked questions.

East Side Lenders, LLC
2711 Centerville Rd
Suite 120-5900
Wilmington, DE 19808

Phone: 866-569-6636
e-mail: service@eastsidelenders.com

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Itemized Schedule of Charges

Effective September, 2007

Loan Amount	Finance Charge
\$50.00	\$15.00
\$100.00	\$30.00
\$150.00	\$45.00
\$200.00	\$60.00
\$250.00	\$75.00
\$300.00	\$90.00
\$350.00	\$105.00
\$400.00	\$120.00
\$500.00	\$150.00

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Terms and Conditions

A Short term loan is designed as a short term cash solution, and is not designed as a solution for longer term financial problems for which longer term financing may be more appropriate. Credit counseling services are available to consumers who are experiencing financial problems.

Additional fees may accrue if your loan is rolled over or renewed.

Agreement To Arbitrate All Disputes: You and We agree that any and all claims, between You and Us, or any claims arising from or relating to this Loan, or any other loan You previously or may later obtain from Us, regarding collection of the Loan, or alleging fraud or misrepresentation, shall be resolved by binding arbitration. Such arbitration shall be conducted under the rules and procedures of the National Arbitration Forum (â€œNAFâ€) in effect at the time the claim is filed, as appropriate. This agreement to arbitrate all disputes shall apply no matter by whom or against whom any claim is filed. Rules and forms of the NAF may be obtained and all claims may be filed at any NAF office, on the World Wide Web at www.naf-forum.com, by telephone at 800-474-2371, or by mail at â€œNational Arbitration Forum, P.O. Box 50191, Minneapolis Minnesota 55405.â€ Your arbitration fees may be waived by NAF or will be paid by Us in the event you cannot afford to pay them. The cost of any participatory, documentary or telephone hearing, if one is held at Your or Our request, will be paid for solely by Us as provided in the NAF rules. If a participatory hearing is requested, it will take place at a location near Your residence. This agreement shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16. Judgment upon the award may be entered by any party in any court having jurisdiction. You will have the right to recover reasonable attorneysâ€™ fees if you prevail in the arbitration.

Notice: YOU AND WE WOULD HAVE HAD AN OPPORTUNITY TO LITIGATE DISPUTES THROUGH A COURT AND HAVE A JUDGE OR JURY DECIDE THE DISPUTES BUT HAVE AGREED INSTEAD TO RESOLVE DISPUTES THROUGH BINDING ARBITRATION. YOU ACKNOWLEDGE AND AGREE THAT BY ENTERING INTO THIS AGREEMENT TO ARBITRATE ALL DISPUTES YOU ARE GIVING UP YOUR RIGHT TO HAVE A TRIAL BY JURY TO RESOLVE OR TO HAVE A COURT RESOLVE ANY AND ALL CLAIMS, DISPUTES OR CONTROVERSIES ALLEGED AGAINST US OR RELATED THIRD PARTIES.

As used in the paragraph above â€œclaim(s)â€ includes all claims, disputes or controversies arising under the common law or pursuant to a federal, state, or local statute, regulation or otherwise. As used in the paragraph above, the phrase â€œbetween You and Usâ€ , includes, but is not limited to, any claim by either You or Us against the other (or the employees, officers, directors, agents or assigns of the other). As used in the paragraph above, â€œclaims arising from or relating to this Loan, or any other loan You previously or may later obtain from Usâ€ , includes, but is not limited to, claims arising from or relating to Your application for this Loan, this Loan Agreement, this agreement to arbitrate all disputes, and Your agreement not to bring, join, or participate in class actions.

Agreement Not To Bring, Join Or Participate In Class Actions: To the extent permitted by law, by signing below You agree that You will not bring, join, or participate in any class action claim, dispute or controversy You may have against Us or Our agents, directors, officers, and employees. You agree to the entry of injunctive relief to stop such a lawsuit. You agree to pay costs We incur, including Our costs and attorneys fees in seeking such relief. This agreement is not a waiver of any of Your rights and remedies to pursue any claim in binding arbitration as provided above.

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Privacy Policy

WHAT INFORMATION WE COLLECT

We collect nonpublic personal information about you from your credit application, credit reporting agencies, and your transactions and experience with us, our affiliates, and nonaffiliated third parties.

HOW WE USE THAT INFORMATION

We use your personal, demographic and profile data to enhance your experience at our site and to enable us to present information we think you might be interested in. We will only share your information with third parties when we believe they can provide our customers relevant information about their products and services. Information may be delivered to you via-email, -wireless phone, mail or regular phone.

WHAT INFORMATION WE DISCLOSE

We are permitted by law to disclose nonpublic personal information about you to third parties in certain circumstances. For example, we may disclose nonpublic personal information about your short-term loans to consumer reporting agencies and to government entities in response to subpoenas. Such disclosures are made as necessary to effect, administer and enforce the loan you request or authorize. Otherwise, we do not disclose nonpublic financial information about our customers or former customers to anyone, except as permitted by law.

If you become an inactive customer, we will continue to adhere to the privacy policies and practices described in this notice.

OUR SECURITY PROCEDURES

We also take steps to safeguard customer information. We restrict access to nonpublic personal information about you to those of our and our service providers' employees who need to know that information to provide short-term loans to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

DETAILED WIRELESS POLICY

Your provider's standard messaging rates apply to any text messaging correspondence. All charges are billed by and payable to your mobile service provider. We will not be liable for any delays in the receipt of any SMS messages, as delivery is subject to effective transmission from your network operator. SMS (Short Message Service) message services are provided on an AS IS basis.

You may opt-out and remove your SMS information by sending "STOP", "END", "QUIT" to the SMS text message you have received. If you remove your SMS information from our database it will no longer be used by us for secondary purposes, disclosed to third parties, or used by us or third parties to send promotional correspondence to you.

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Appendix B



MARKET SQUARE PLAZA | 17 N SECOND STREET, 13TH FL | HARRISBURG, PA 17101
PH 717.787.2565 FX 717.787.8773 W www.banking.state.pa.us

February 3, 2010

Sent Via Certified Mail Return Receipt Requested
and First Class Mail

East Side Lender, LLC
2711 Centerville Rd
Suite 120-5900
Wilmington, DE 19808

Dear East Side Lenders, LLC,

On July 10, 2009, the Commonwealth Court of Pennsylvania held that an entity involved in non-mortgage consumer lending to Pennsylvania residents in which the aggregate interest, discount, bonus, fees, fines, commissions, charges or other considerations exceed 6% simple interest per annum is required to be licensed by the Commonwealth of Pennsylvania Department of Banking (the "Department") under the Consumer Discount Company Act ("CDCA"), 7 P.S. § 6201 *et seq.*, regardless of where the entity is physically located. *See Cash Am. Net of Nev., LLC v. Dep't of Banking*, 2009 Pa. Commw. LEXIS 570 (Pa. Commw. Ct. 2009).

Accordingly, you are required to obtain a consumer discount company license from the Department to lawfully engage in non-mortgage-related lending to Pennsylvania consumers in which the aggregate interest, discount, bonus, fees, fines, commissions, charges or other considerations exceed 6% simple interest per annum. Continuing to engage in such lending without a consumer discount company license from the Department could result in enforcement action against you as set forth by the CDCA and/or Loan Interest Protection Law, 41 P.S. § 101 *et seq.*

In the meantime, the Department requests that you discontinue any and all advertising targeting Pennsylvania residents, including, but not limited to, mailers and websites, within 15 days of the date of this letter. If you continue to market your loan products to Pennsylvania residents, and choose not to apply for a consumer discount company license, the Department may take enforcement action against you.

If you have any questions, please feel free to contact me using the information provided below.

Certified Article Number

7160 3901 9645 6298 2275

SENDERS RECORD



pennsylvania
DEPARTMENT OF BANKING

Sincerely,

Ryan Walsh
Administrator, Non-Depository Institutions
Bureau of Compliance, Investigation and
Licensing

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Label/Receipt Number: 7160 3901 9845 6298 2276
Status: Delivered

Your item was delivered at 8:54 am on February 05, 2010 in
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Equal Opportunity
Policy Statement



Accessibility
Statement

Appendix C

Signature is required.

Consumer Loan Agreement #

EastSide Lenders
Wilmington, DE



LOAN AGREEMENT AND PROMISSORY NOTE

Your Electronic Signature neither requires nor obligates you to accept this loan

Borrower's Information:

Lender:

East Side Lenders

Origination Date:

5/6/2010 12:00:00 AM

Due Date:

5/14/2010

Borrower's Name:

Tina Keeler

Borrower's ID:

Borrower's Address:

2245 Heafner Road

York, PA 17408

In this Consumer Loan Agreement ("Loan Agreement" or "Agreement"), the words "You" and "Your" mean the Borrower identified above. The words "We," "Us," "Our" and "Lender" mean East Side Lenders, LLC, licensed and regulated by the State of Delaware Bank Commissioner.

Federal Truth-in-Lending Disclosures

ANNUAL PERCENT RATE (APR) (If greater than 6% add a yearly)	FINANCE CHARGE (Monthly/Annual Finance Charge)	Amount Financed (The amount of credit provided to you or on your behalf.)	Total of Payments (The amount you will have paid after you have made all payments as scheduled.)
15.67%	\$60.00	500.00	650.00

PAYMENT SCHEDULE:

One payment of 650.00 on 5/14/2010. Or you can refinance the loan by paying the finance fee according to the terms below.

SECURITY: This Loan is unsecured.

LATE CHARGE: If Your payment is one or more days late, You will be charged a one-time late fee in an amount that is the lesser of \$30 or 5 percent of the total late payment (including finance charge).

PREPAYMENT: If You pay this loan off early, You will be entitled to a refund of any unearned finance charge.

Review this entire Loan Agreement for additional information about nonpayment, default and prepayment refunds.

Disbursement Authorization: You authorize Us to disburse the proceeds of Your Loan, totaling (Loan Amount), subject to the terms and conditions of this Loan Agreement, as follows:

1. \$_____ to payoff outstanding amounts owing on prior loan(s) (Number(s)), including any outstanding principal, accrued interest and other fees and charges, if any, as of (date of loan),
2. 500.00 deposited to Your checking account identified in the ACH Authorization herein.

Promise to Pay: You promise to pay Us at East Side Lenders, LLC 2711 Centerville Rd, Wilmington, DE 19808 (or at any other place We may designate) the total principal amount of 500.00 (the "Loan") plus the Finance Charge set forth above in the Truth-in-Lending Disclosure box, above, on the payment date set forth in the "Payment Schedule" section of the Truth-in-Lending Disclosure box, above (the "Payment Date"). The Finance Charge is earned on a daily basis from the date the loan proceeds are disbursed to You (the "Disbursement Date") to the Payment Date. Interest may be charged after the Payment Date if you do not make Your payment as scheduled. All payments will be applied first to accrued interest, then to fees or charges due to Us, such as late fees or returned item charges, and then to unpaid principal

balance. By signing below You promise to pay to Us the total principal amount, the Finance Charge, plus any accrued interest thereon and other fees and charges, if any, as provided in this Loan Agreement.

Right Of Rescission. You have the right to rescind the amount borrowed hereunder without incurring any fee if the amount borrowed, in full, is returned to us on or before the close of business on the business day following the Disbursement Date.

Payment Options: If You are approved, Your Loan payment will be due on the Payment Date. If You choose to pay by check or money order We must have received such payment by the Payment Date. If We have not received such payment by that date, We will charge Your bank account in accordance with the ACH Authorization provided herein. If You provide a check as a payment, You authorize Us either to use information from Your check to make a one-time electronic fund transfer from Your account or to process the payment as a check transaction. When We use information from Your check to make an electronic funds transfer, funds may be withdrawn from Your account as soon as the same day We receive Your payment, and You will not receive Your check back from Your financial institution. In addition, We reserve the right to create and submit an electronic check for any amounts due and owing to Us drawn on the bank account You have identified. You agree that if any of the above items is returned for any reason by the financial institution at which Your account is held, We have Your authorization to electronically debit Your checking account for the full amount of the unpaid item, plus a \$30 returned item charge.

You may prepay this Loan at any time without penalty. If You prepay, You may be entitled to a refund of any unearned finance charge.

Refinancing: If You choose to refinance Your Loan, You will incur a new finance charge. You may refinance Your Loan on the Payment Date by (a) paying only the Finance Charge shown in the Federal Truth-in-Lending Disclosures, and (b) agreeing to pay the Total of Payments shown in the Federal Truth in Lending Disclosures on a date fourteen days after the Payment Date. You have the option to refinance Your Loan four (4) times before You must begin to pay down the principal Loan amount.

ACH (Electronic Funds Transfer) Authorization: You authorize Us to initiate an ACH debit entry to Your deposit account indicated below for the total amount due and owing under this Loan Agreement on the Payment Date (or such other date that payment is due under this Loan Agreement) and to re-initiate a debit entry for the same amount if the ACH is dishonored (the "ACH Authorization"). The depository institution named below will receive and debit such entries to Your checking account identified below.

Bank Name: BANK OF AMERICA N.A.
Bank Address: VA
Bank Routing Number:
Bank Account Number:

We reserve the right to divide your payment into several debits, at our discretion, so long as the total of all such debits is equal to the amount due and owing.

This ACH Authorization becomes effective at the time that We make You the Loan for which You are applying and will remain in force and effect until such time as all sums due and owing to Us under this Loan Agreement have been received by Us or until such time as You revoke this ACH Authorization. If you wish to revoke this ACH Authorization, You must notify Us in writing at least three business days before the Payment Date. If any ACH debit entries (unless the ACH Authorization is properly revoked by You) or checks are returned by Your bank as unpaid, You agree to pay a returned item charge of \$30.00. If Your payment is returned unpaid, You authorize Us to make a one-time electronic fund transfer from Your account to collect the returned item charge of \$30.00. If You do not pay the total amount due and owing under this Loan Agreement on or by the Payment Date (or such other date that payment is due under this Loan Agreement), You authorize Us to make a one-time electronic fund transfer from Your account to collect a late fee in an amount that is the lesser of \$30 or 5 percent of the total late payment (including finance charge).

In the event that You are in default, as described herein, You authorize Us or any collection agency which we employ or to which your Loan or the outstanding balance of your Loan has been assigned to continue to submit ACH debits against the account identified above until such time as all amounts due and owing under this Loan Agreement have been satisfied in full.

You certify both that You are an authorized user of the account identified above and that such account is an open account in good standing. You authorize the financial institution identified above to release to Us any and all information deemed necessary to our verification process. If there is any missing or erroneous information regarding Your bank, including its routing and transit number, or Your account number, You authorize Us to verify and correct such information.

You agree that the debit entry authorized herein is for repayment of a single payment installment loan and shall not recur at substantially regular intervals. You agree that this ACH Authorization is subject to Our approving the Loan Agreement.

Additional Terms: This Agreement is made after Lenders acceptance of its terms at Lenders offices in Delaware, and upon Lenders funding of Your loan from Lenders Delaware bank account(s). The Loan amount, fees and finance charges are payable to Lenders bank account(s) in Delaware. You certify that the information given in connection with this Agreement is true and correct. You authorize Us to verify the information in the Agreement and hereby give Lender consent to obtain information on You from a consumer reporting agency or other means.

PREPAYMENT: In addition to Your Right of Rescission, You may prepay in full, at any time, the amount due and will not incur an additional charge, fee or penalty. The Finance Charge (as set forth in the Federal Truth-in-Lending Disclosures) is earned on a daily basis from the Disbursement Date to the date of prepayment. The daily rate will be calculated by taking the Finance Charge and dividing it by the number of days in the loan. No refund or credit of an amount less than \$1.00 will be made.

Default/ Acceleration: You will be in default under this Loan Agreement if any information You provide to Us is false or fraudulent in any material manner. If You provide a false signature to Us on any documents provided to Us, if You do not follow all the terms of this Loan Agreement or if You fail to repay the Loan and any accrued fees, charges and interest in accordance with the terms of this Loan Agreement. In the event of a default by You, all unrepaid principal plus all accrued fees, charges and interest shall become immediately due and payable. If We waive Our right to seek immediate payment of all sums due and owing, such waiver shall be revocable by Us at any time for any reason. Upon Your default, We have the right to exercise all of Our remedies to enforce payment in accordance with the terms of this Loan Agreement. In the event that You are in default, finance charges will continue to accrue in accordance with the terms of the original agreement.

Waiver Of Jury Trial And Arbitration Provision. Arbitration is a process in which persons with a dispute: (a) waive their rights to file a lawsuit and proceed in court and to have a jury trial to resolve their disputes; and (b) agree, instead, to submit their disputes to a neutral third person (an "arbitrator") for a decision. Each party to the dispute has an opportunity to present some evidence to the arbitrator. Pre-arbitration discovery may be limited. Arbitration proceedings are private and less formal than court trials.

The arbitrator will issue a final and binding decision resolving the dispute, which may be enforced as a court judgment. A court rarely overturns an arbitrator's decision. We have a policy of arbitrating all disputes with customers which cannot be resolved informally, including the scope and validity of this arbitration provision (the "Arbitration Provision") and any right You may have to participate in an alleged class action.

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

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

Agreement To Arbitrate All Disputes: You and We agree that any and all claims, between You and Us, or any claims arising from or relating to this Loan, or any other loan You previously or may later obtain from Us, regarding collection of the Loan, or alleging fraud or misrepresentation, shall be resolved by binding arbitration. Such arbitration shall be conducted under the rules and procedures of the National Arbitration Forum ("NAF") in effect at the time the claim is filed, as appropriate. This agreement to arbitrate all disputes shall apply no matter by whom or against whom any claim is filed. Rules and forms of the NAF may be obtained and all claims may be filed at any NAF office, on the World Wide Web at www.arb-forum.com, by telephone at 800-474-2371, or by mail at "National Arbitration Forum, P.O. Box 50181, Minneapolis Minnesota 55408." Your arbitration fees may be waived by NAF or will be paid by Us in the event you cannot afford to pay them. The cost of any participatory, documentary or telephone hearing, if one is held at Your or Our request, will be paid for solely by Us as provided in the NAF rules. If a participatory hearing is requested, it will take place at a location near Your residence. This agreement shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16. Judgment upon the award may be entered by any party in any court having jurisdiction. You will have the right to recover reasonable attorneys fees if you prevail in the arbitration. **NOTICE: YOU AND WE WOULD HAVE HAD AN OPPORTUNITY TO LITIGATE DISPUTES THROUGH A COURT AND HAVE A JUDGE OR JURY DECIDE THE DISPUTES BUT HAVE AGREED INSTEAD TO RESOLVE DISPUTES THROUGH BINDING ARBITRATION. YOU ACKNOWLEDGE AND AGREE THAT BY ENTERING INTO THIS AGREEMENT TO ARBITRATE ALL DISPUTES YOU ARE GIVING UP YOUR RIGHT TO HAVE A TRIAL BY JURY TO RESOLVE OR TO HAVE A COURT RESOLVE ANY AND ALL CLAIMS, DISPUTES OR CONTROVERSIES ALLEGED AGAINST US OR RELATED THIRD PARTIES.**

As used in the paragraph above "claim(s)" includes all claims, disputes or controversies arising under the common law or pursuant to a federal, state, or local statute, regulation or otherwise. As used in the paragraph above, the phrase "between You and Us", includes, but is not limited to, any claim by either You or Us against the other (or the employees, officers, directors, agents or assigns of the other). As used in the paragraph above, "claims arising from or relating to this Loan, or any other loan You previously or may later obtain from Us", includes, but is not limited to, claims arising from or relating to Your application for this Loan, this Loan Agreement, this agreement to arbitrate all disputes, and Your agreement not to bring, join, or participate in class actions.

How You Can Opt-Out Of Arbitration: Although it is Our policy to initially have You agree to arbitrate all disputes, We strongly suggest that You consult with an attorney about whether You really want to bind yourself to arbitrate disputes. If You do not want to be bound to the agreement to arbitrate all disputes and desire to retain the benefits of litigating disputes instead, You need merely send us a letter advising us of your election to opt-out of the arbitration agreement. We must receive Your letter within one (1) week after You submit Your application. Your election to opt-out of arbitration will have no adverse effect on Our review and underwriting of Your application or on Your Loan. It will, however, free Us from Our obligation to arbitrate disputes with You. Your opt-out notice must be mailed to East Side Lenders, LLC 2711 Centerville Rd, Wilmington, DE 19808. Keep a copy of Your opt-out letter for Your records, as it binds not only You, but also Your respective heirs, successors, and assigns.

Bankruptcy: You certify to Us that you are not a debtor under any proceeding in bankruptcy and have no intention to file a petition for relief under any chapter of the United States Bankruptcy Code.

Agreement Not To Bring, Join Or Participate In Class Actions: To the extent permitted by law, by signing below You agree that You will not bring, join, or participate in any class action claim, dispute or controversy You may have against Us or Our agents, directors, officers, and employees. You agree to the entry of injunctive relief to stop such a lawsuit. You agree to pay costs We incur, including Our costs and attorneys fees in seeking such relief. This agreement is not a waiver of any of Your rights and remedies to pursue any claim in binding arbitration as provided above.

Survival: The provisions of this Agreement providing for arbitration of all Disputes and the Agreement Not to Bring, Join or Participate in Class Actions shall survive repayment in full and/or default under this Loan Agreement. **BY SIGNING BELOW, YOU AGREE TO ALL THE TERMS OF THIS LOAN AGREEMENT, INCLUDING THE AGREEMENT TO ARBITRATE ALL DISPUTES AND THE AGREEMENT NOT TO BRING, JOIN OR PARTICIPATE IN CLASS ACTIONS. YOU ALSO ACKNOWLEDGE A RECEIPT OF A FULLY COMPLETED COPY OF THIS LOAN AGREEMENT.**

Agreement To Receive Notices Electronically: You agree that, if You have provided to Us an electronic or email address, any notices may be delivered to You electronically, to the extent permitted by law, including the Truth In Lending Act, Regulation Z of the Board of Governors of the Federal Reserve (the "FRB"), The Electronic Funds Transfer Act, FRB Regulation E, The Equal Credit Opportunity Act, FRB Regulation B, Title V of the Gramm-Leach-Bliley Act, FRB Regulation P (or its applicable regulatory equivalent), The Fair Credit Reporting Act, and/or any other provision of applicable federal or state law or regulation.

Place Of Contract: This Agreement is made after Our acceptance of its terms at Our offices in Delaware upon Our funding of Your Loan from Our Delaware bank account(s).

Governing Law, Assignment And Execution: This Loan Agreement is governed by the laws of the State of Delaware, as it is the State in which Your loan application is received, the Loan Agreement is entered into, the Loan is approved and funded and where payment is received by Us in fulfillment of Your obligations under the Loan Agreement. We may assign or transfer this Loan Agreement or any of Our rights hereunder. If this Loan Agreement is approved by Us, then You agree that the electronically signed Loan Agreement We receive from You will be considered the original executed Loan Agreement, which is binding and enforceable as to both parties.

OUR POLICY REGARDING FINANCIAL PRIVACY

We collect nonpublic personal information about You from the following sources: (1) information We receive from Your applications or other forms; (2) information about Your transactions with Us, Our affiliates, or others; and (3) information We receive from consumer reporting agencies. We restrict access to nonpublic personal information about You to employees who need to know that information to provide products or services to You. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard Your nonpublic personal information. Since We value Our customer relationships, We do not disclose any nonpublic personal information about Our customers or former customers to anyone, except as required or permitted by law.

(1) THIS LOAN IS DESIGNED AS A SHORT-TERM CASH FLOW SOLUTION AND NOT DESIGNED AS A SOLUTION FOR LONGER TERM FINANCIAL PROBLEMS.
(2) ADDITIONAL FEES MAY ACCRUE IF THE LOAN IS ROLLED OVER. (3) CREDIT COUNSELING SERVICES ARE AVAILABLE TO CONSUMERS WHO ARE EXPERIENCING FINANCIAL PROBLEMS.

By electronically signing this Agreement You acknowledge that You have read, understand, and agree to all of the terms and conditions of this Agreement. You further acknowledge that this Agreement contains all of the terms of the Agreement and that no representations or promises other than those contained in this Agreement have been made. You also further acknowledge that this Agreement was filled in before You signed it, and that You have received a completed copy of it.

Your Electronic Signature neither requires nor obligates you to accept this loan

SIGNATURE

Your Full Name:

Tina Keeler

Date:

5/8/2010 12:00:00

Agree AM

Next

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- Apply Now
- FAQ
- Bank Tips
- My Account
- Contact Us
- Your Privacy Policy

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You have been approved, pending final verification with a representative. Please read this document, type your name below and click Next. A representative will contact you shortly, or you can call in toll free 1-866-569-6636.



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Redacted

Appendix D

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

FILED

2010 AUG 23 PM 3:09

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU
OF COMPLIANCE, INVESTIGATION AND
LICENSING

v.

EAST-SIDE LENDERS, LLC

PA DEPT OF BANKING

Docket No.: 10 0186 (ENF-C&D)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Cease and Desist Order upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35 and 33.36:

BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED
AND FIRST CLASS MAIL:

East Side Lenders, LLC
2711 Centerville Rd
Suite 120-5900
Wilmington, DE 19808

Dated: 8/23/2010

Begené A. Bahl, Assistant Counsel
Pennsylvania Department of Banking
Bureau of Compliance, Investigation and
Licensing
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

2010 SEP -8 AM 11: 55

COMMONWEALTH OF PENNSYLVANIA	:	PA DEPT OF BANKING
DEPARTMENT OF BANKING, BUREAU	:	
OF COMPLIANCE, INVESTIGATION AND	:	
LICENSING	:	
	:	
v.	:	Docket No.:100186 (ENF-C&D)
	:	
EAST SIDE LENDERS, LLC	:	
	:	

AMENDED CERTIFICATE OF SERVICE

I hereby certify that I have this day *re-served* a copy of the foregoing **Cease and Desist Order** upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35 and 33.36:

BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED
AND FIRST CLASS MAIL:

East Side Lenders, LLC
c/o Incorp Services, Inc., Registered Agent
One Commerce Center
1201 Orange Street #600
Wilmington, DE 19899

Dated: 9/8/2010

Begene A. Bahl, Assistant Counsel
Pennsylvania Department of Banking
Bureau of Compliance, Investigation and
Licensing
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471