

SEPTEMBER 2017

Private equity piles into payday lending and other subprime consumer lending

Over the last several years, a number of private equity firms have acquired payday lenders and subprime installment lenders, funneling institutional capital from pension funds, foundations, endowments and others into enterprises that can trap consumers in a cycle of debt.

While they are by no means the only companies active in subprime consumer lending, through a series of mergers and acquisitions private equity-owned firms have become significant players in both the payday lending and subprime installment lending markets. In terms of brick-and-mortar stores, private equity firms own lenders with a total of more than 5,000 US locations. In addition, private equity and venture capital firms have provided capital for several startups making online payday loans, at times with triple digit annual percentage rates (APRs) rivaling payday lenders.

Currently, payday lenders charge triple digit annual interest rates, often 300 percent or higher. A large body of research has demonstrated that these products are structured to create a long-term debt trap that drains consumers' bank accounts and causes significant financial harm, including delinquency and default, overdraft and non-sufficient funds fees, increased difficulty paying mortgages, rent, and other bills, loss of checking accounts, and bankruptcy. The lack of underwriting for ability to repay, high fees and access to a borrower's checking account or car title enable lenders to repeatedly flip borrowers from one unaffordable loan to another. A large portion of borrowers eventually default, but often not before paying hundreds or even thousands of dollars in fees.

Private equity firms have brought new capital and in some cases a new level of sophistication to the subprime lenders they acquired, in some cases enabling the payday and installment lenders to buy competitors[1], sell off securities based on the loans they make[2], or engage in aggressive legislative and lobbying strategies.[3]

Some private equity-funded payday and installment lenders have run afoul of state and federal lending regulations or evade state laws governing consumer lending.

AFR Americans for Financial Reform
Private Equity Stakeholder Project
Contact Jim Baker
jim.baker@PEstakeholder.org
312-933-0230

There is a list of private equity-owned subprime consumer lending firms active in US payday and installment lending at the end of this report. Some examples include:

JLL Partners—ACE Cash Express

Private equity firm JLL Partners of New York took payday lender ACE Cash Express private in 2006.[4]

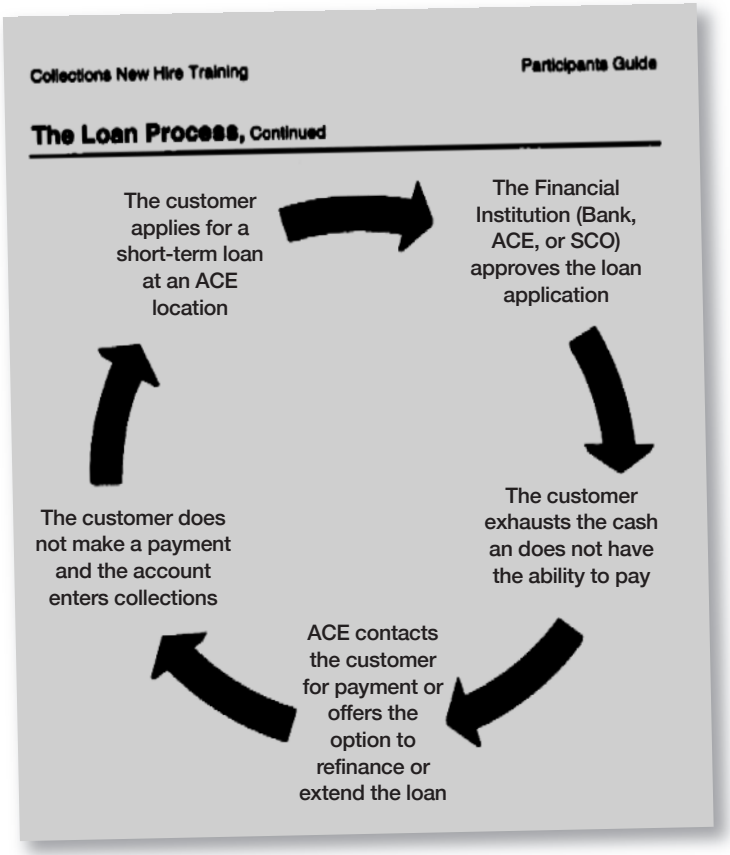
Frank Rodriguez of JLL joined the ACE Cash Express' board of directors.[5] Rodriguez currently serves as Managing Director at JLL Partners and is a member of JLL's Management Committee.[6]

ACE Cash Express has over 1,000 locations in 23 states.[7] ACE Cash offers payday loans, auto title loans, longer-term installment loans, prepaid debit cards, and other services online and through its branch network.[8] In 2014, the *Dallas Morning News* reported that ACE Cash Express had an annual transaction volume of $14 billion and saw 40 million customer visits over the prior year.[9]

ACE charges as much 661% interest (APR) on a fourteen-day loan.[10] Ace, like many payday lenders, has also begun migrating to long-term payday loans with advertised rates exceeding 200% APR.[11]

Payday lenders themselves have a long history of pushing the limits or outright ignoring consumer protection laws. ACE, in particular, has run afoul of state and federal regulators multiple times since JLL Partners took control.

In 2008, the California Commissioner of Business Oversight conducted a regulatory examination of ACE which found purported violations including that ACE collected excessive amounts from customers and conducted unlicensed payday loan transactions over the internet and at a branch office. In 2010, ACE entered into a settlement agreement and stipulation to a Desist and Refrain Order that issued approximately 2,512 citations against ACE and ordered it to pay $118,400 in penalties.[12]



The CFPB included the above diagram from ACE's collections training manual in the consent order.

In 2014, ACE agreed to pay $10 million to settle federal allegations by the Consumer Financial Protection Bureau (CFPB) that it used false threats of lawsuits and other illegal tactics to pressure customers with overdue loans to borrow more to pay them off.[13]

The CFPB alleged that ACE's tactics trapped consumers in a cycle of debt:

> "ACE structures its payday loans to be repaid in roughly two weeks, but its borrowers frequently roll over, renew, refinance, or otherwise extend their loans beyond the original repayment term. These borrowers typically incur additional interest and fees when they roll over, renew, or refinance their loans."

"ACE used false threats, intimidation, and harassing calls to bully payday borrowers into a cycle of debt," said CFPB Director Richard Cordray. "This culture of coercion drained millions of dollars from cash-strapped consumers who had few options to fight back."[14]

In 2015, the California Commissioner of Business Oversight sought to suspend ACE's license to sell payday loans in California over a series of alleged lending violations and violation of the 2010 consent order ACE had signed with the state.[15] ACE ultimately settled for a fine and continues to operate in California.[16]

In 2016, State of Washington Department of Financial Institutions (DFI) examiners found that ACE had made more than 700 prohibited payday loans to more than 360 Washington borrowers, collecting more than $48,000 in loan and default fees. ACE Cash Express entered into a consent order with the Washington DFI and agreed to pay a fine.[17] ACE appears to have ceased making loans directly in Washington, instead now serving as a lead generator for online lender, Enova (dba CashNetUSA).[18]

In 2015, The New Jersey State Investment Council, which invests pension funds on behalf of the state, tasked its director with exploring an exit of the state pension system's commitment to a JLL Partners fund that owns payday lender ACE Cash Express. New Jersey law prohibits payday lenders from operating within the state.[19]

Lone Star Funds—DFC Global

Lone Star Funds, a private equity manager with $70 billion in assets under management,[20] acquired Pennsylvania-based DFC Global Corp (formerly known as Dollar Financial Group) in June 2014 for $1.3 billion, taking the company private.[21]

Lone Star is owned and run by John Grayken, who in 1999 renounced his US citizenship in an effort to avoid taxes.[22] According to *Forbes*, Grayken has a net worth of $6.5 billion.[23]

The company, which Lone Star described as "a leading international non-bank provider of alternative financial services,"[24] is a major payday lender, pawnshop operator and check-cashing provider.





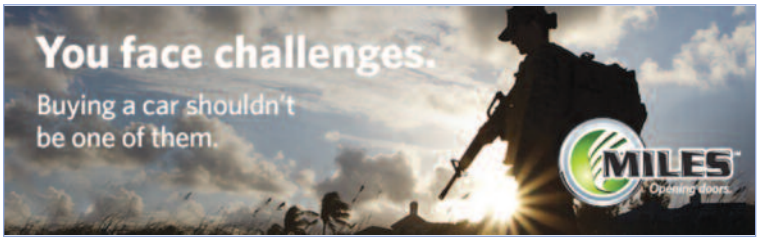
From Google Street View, accessed 12/8/2014

DFC affiliates own and operate 1,200 retail payday lending/pawn locations in nine countries.[25] DFC operates 250 locations as Money Mart and The Check Cashing Store in the US.[26]. As of March 2014, DFC had nearly $500 million in loans outstanding.[27]

DFC has faced regulatory action in the United States over its lending practices. Dealers' Financial Services, a DFC-owned auto loan originator, was required by the Consumer Financial Protection Bureau to return $3.3 million to more than 50,000 military servicemembers who participated in the company's Military Installment Loans and Educational Services (MILES) auto lending program. Working with the US Department of Defense and Judge

Advocate General (JAG), the CFPB found that DFS failed to properly disclose all fees charged to participants, and misrepresented the true cost and coverage of add-on products financed along with the auto loans.[28]

According to the CFPB, the Company's deceptive practices included:



Promotional material from DFC's MILES program, which was required by federal regulators to return $3.3 million to military servicemembers. (accessed 12/8/2014)

- **Understating the costs of the vehicle service contract: DFS claimed in marketing materials that the vehicle service contract would add just "a few dollars" to the customer's monthly payment when it actually added an average of $43 per month.[29]**
- **Understating the costs of the insurance: DFS told some customers that the insurance policy would cost only a few cents a day, when the true cost averaged 42 cents a day, or more than $100 a year.[30]**
- **Misleading consumers about product benefits: the MILES marketing materials deceptively suggested that the vehicle service contract would protect servicemembers from all expensive car repairs, when many basic parts were not covered.[31]**

In September 2015, DFC closed its US Miles/ Dealers' Financial Services division.[33]

DFC has continued to offer payday loans at extremely high interest rates in the US and internationally.

In Hawaii, DFC subsidiary Money Mart charges as much as 456% interest on a 14-day loan.[34]

In recent years, Lone Star's DFC has opposed legislative efforts in Hawaii to cap rates at 36%, hiring one of the state's top lobbying firms to fight proposed rate caps.[35]

In California, for example, DFC charges APRs as high as 460%.[36]

DFC companies charge even higher APRs outside the US, from 1,170% in the UK, to 2,333% in Spain, to up to 33,465% in Poland.[37]

Product	Market	Loan term	Loan amount	***APR***[32]
Money Mart	California	30 days	$60—255	***214%***
Optima installment loan	Poland	6 months	1000 zł	***263%***
The Check	Florida	14 days	$100	***390%***
Cashing Store Money Mart	Washington	9 to 45 days	$100	***391%***
Money Mart	Hawaii	14 days	$100	***456%***
Money Mart	California	14 days	$60 to $255	***460%***
Payday Express	UK	3 months	£300	***1,170%***
OKMoney.es	Spain	30 days	€100 to €400	***2,334%***
OKMoney	Poland	30 days	500 zł	***2,831%***
OKMoney	Poland	15 days	500 zł	***33,465%***

In October 2015, more than a year after Lone Star Funds had acquired DFC Global, the UK Financial Conduct Authority (FCA) ordered DFC to refund £15.4m to 147,000 customers. The FCA found that that many customers were lent more than they could afford to repay, while debt collection practices were inadequate as systems suffered from errors.[38]

Jonathan Davidson, a director of supervision at the FCA, said: "The FCA expects all credit providers to carry out proper checks to ensure that borrowers don't take on more than they can afford to pay back."[39]

FFL Partners—Speedy Cash/ Rapid Cash



From flickr.com, CC BY-NC-ND 2.0)

In September 2008, San Francisco-based private equity manager FFL Partners acquired Curo Financial Technologies, which operates more than 400 locations in the US, Canada, and the UK.[40] In the US, Curo operates as Speedy Cash and Rapid Cash.[41] Speedy Cash offers payday loans, installment loans, title loans, and line of credit loans through its branch network and online.[42]

FFL Partners Co-Founder Chris Masto[43] and Vice President Karen Winterhof[44] currently serve on the board of directors of Curo Financial Technologies.

Based on disclosures by the company, some customers who receive loans through Speedy Cash can end up paying as much as 729% interest annually (APR).[45]

In late October 2008, California regulators issued a Desist and Refrain Order after finding that Speedy Cash collected excess bank fees of $106,614 from 5,291 customers in 9,150 transactions, collected $14,812 in excess of the loan agreements from 65 customers and collected non-sufficient fund fees of $1,385 from 76 customers in 80 transactions.[46]

A 2013 analysis by *ProPublica* of lawsuits by payday lenders against customers in Missouri found that Speedy Cash, despite having just six locations statewide as of 2013, had filed more than 9,300 lawsuits between January 2009 and September 2013, more than twice as many as the next most litigious payday lender.[47]

An April 2016 report from Northwestern University's *Medill News Service* profiled Morris Cornley, a veteran residing in Kansas City who took out a $500 payday loan from Speedy Cash in Kansas City to keep from falling behind on bills.

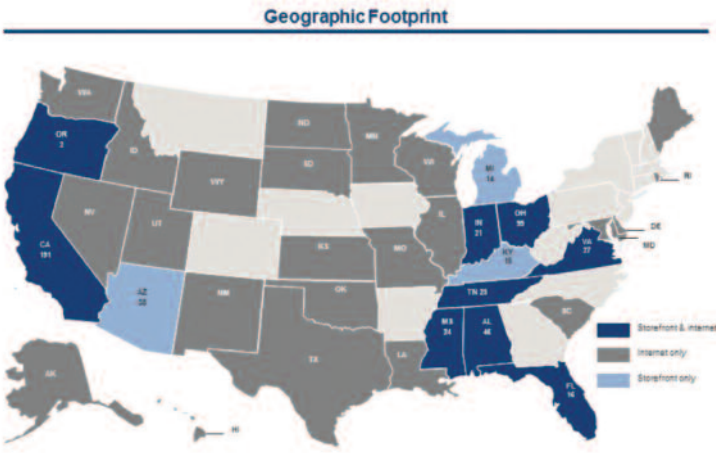
> ***"You see the commercials and the signs and it sounds easy to do," Cornley said. "OK, $500 and you have 30 days to pay it back. What you don't realize is you're paying something every day."***
>
> ***Cornley took out multiple payday loans from several lenders to cover his mounting debt.***
>
> ***"It got to the point where I couldn't pay them," Cornley said. "Then I found out Speedy Cash was trying to garnish my paychecks."***
>
> ***Speedy Cash then went on to sue Cornley for his original loan, plus attorney and court fees. Gina Chiala, a Kansas City lawyer, took Cornley's case pro-bono, and ultimately won.***[48]

Diamond Castle Holdings, Golden Gate Capital—Community Choice Financial

Community Choice Financial (CCFI) was formed in 2011 by CheckSmart, owned by private equity firm Diamond Castle Holdings, to acquire California Check Cashing Stores, owned by Golden Gate Capital,

another private equity firm. Although Community Choice Financial held an IPO in 2012 and is publicly traded, as of March 2017 it was still majority (53%) owned by Diamond Castle Holdings and 13% owned by Golden Gate Capital.[49]

Diamond Castle Holdings co-founder Andrew Rush and Managing Director Michael Langer have served on the Community Choice Financial board since 2006. Mark Witowski, Vice President at Diamond Castle, has served on CCFI's board since 2012. Felix Lo, a Principal at Golden Gate Capital, has served on the Community Choice Financial board since 2011.[50]



From Community Choice Financial SEC Form 10K, March 2017

Community Choice Financial operates as CheckSmart, Buckeye CheckSmart, California Check Cashing Stores, Cash & Go, First Virginia, Buckeye Title Loans, Easy Money, and Check Cashing USA. Community Choice Financial also operates as California Budget Finance, Quick Cash, PLS Financial Services and Cash 1 pursuant to a license agreement.

Community Choice Financial offers short-term payday loans in 453 of its 518 stores. During 2016, Community Choice Financial generated more than $1 billion in loan volume (originations and refinancing).[51]

In some states, such as in California, Community Choice Financial makes long-term payday loans for amounts exceeding $2,500 reaching rates over 150% APR.[52]

In March 2017, Community Choice Financial reported that "the short-term consumer loans we make may involve APRs exceeding 390%."[53]

Community Choice Financial, like other payday lenders, has made extensive use of credit service fees to circumvent payday lending laws in Ohio and Texas, essentially posing as a broker to evade state usury laws.[54] In those states, Community Choice Financial claims it does not provide loans directly to consumers, but instead loans are provided by a third party. Community Choice Financial collects a credit service fee on the loan. For example, in Texas, lender interest is capped at 10%. But Community Choice Financial poses as a broker and charges "broker fees" that push the cost of the loan to the high triple-digit APRs. It reports that a 14-day payday loan of $500 has an APR of 740% (the APR reflects the "finance charge," which includes both interest and broker fees). Cash Central, the Community Choice Financial affiliate that acts as the "Credit Access Business" in Texas, collects 98.6% of the finance charge ($140 of $141.91). The unaffiliated lender that makes the loan collects just 1.3% of the finance charge.[55] Credit service fees account for a significant part of Community Choice Financial's business—21.6% of the firm's revenue in 2016.[56]

"The short-term consumer loans we make may involve APRs exceeding 390%."

Community Choice Financial Form 10-K, Mar 2017

In 2012, the US Office of the Comptroller of the Currency (OCC), the government overseer of large banks, found "violations of law and regulations and unsafe and unsound banking practices" by Florida-

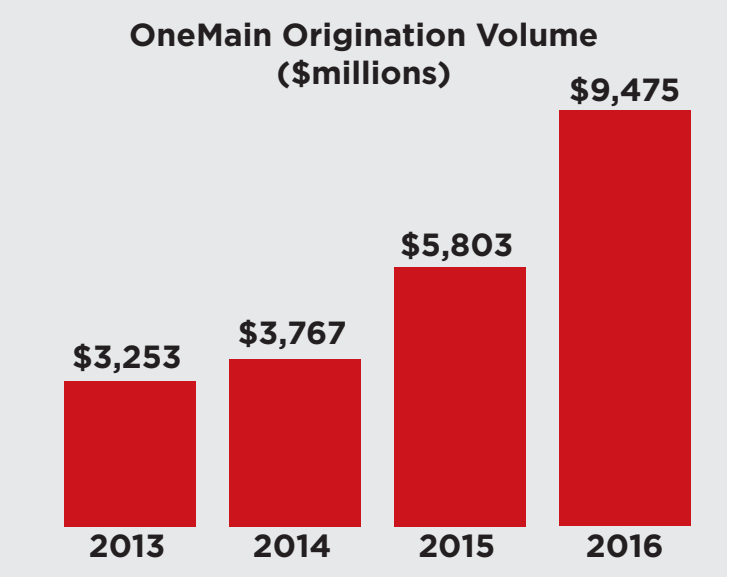
based Urban Trust Bank (UTB), the issuer of the Insight prepaid cards used by the payday lender CheckSmart to evade state payday and usury laws. After Arizona and Ohio imposed 36% and 28% interest rate caps, respectively, CheckSmart, which is owned by Community Choice Financial, Inc., began disguising its payday loans as a line of credit or overdraft protection on prepaid cards managed by Insight Card Services (part owned by CCFI) and issued by Urban Trust Bank.[57]

In August 2013, Community Choice Financial subsidiary CheckSmart received a Civil Investigative Demand from the Consumer Financial Protection Bureau (CFPB) to determine whether payday lenders, check cashers, their affiliates, or other unnamed persons have been or are engaging in unlawful acts or practices in connection with the origination of payday loans and the cashing of payday loan proceed checks.[58] It is unknown whether the CFPB has taken any further action based on the information gathered from the Civil Investigative Demand.

Community Choice Financial recently drew headlines for reportedly paying Corey Lewandoski, President Donald Trump's first campaign manager, a $20,000-a-month retainer in return for "strategic advice and counsel designed to further the goals of Community Choice Financial." Lewandoski on July 30, 2017 used an appearance on "Meet the Press" to call on President Trump to oust CFPB Director Richard Cordray. "It's my recommendation to the president of the United States to fire Richard Cordray," Mr. Lewandowski said. Mr. Lewandowski had previously helped recruit Community Choice Financial as a client for Avenue Strategies, his previous firm, which reported receiving $160,000 for lobbying from the lender.[59]

Fortress Investment Group— OneMain Financial, ZestFinance, Cash Converters

New York-based Fortress Investment Group is the majority owner of installment lender OneMain Financial. Fortress acquired installment lender Springleaf Financial from AIG in 2010 and in 2015 combined it with Citigroup's OneMain, over the objection of consumer advocates[60], to create the largest subprime consumer lender in the United States, with 1,700 branches in 44 states.[61] In 2016, OneMain generated $9.4 billion in loan volume. Driven by acquisitions, OneMain's origination volume has grown dramatically in the past few years.[62]



Wes Edens, founding principal and Co-Chairman of Fortress, has served on OneMain Holdings' board since 2010 and has chaired the board since 2011.[63] Edens, along with Fortress executives Pete Briger and Randy Nardone recently made a combined $1.39 billion from the sale of Fortress to Japan's SoftBank Group.[64]

While OneMain generally offers lower interest rates on its loans than payday lenders, the firm also sells ancillary products such as insurance that can significantly increase costs for borrowers. Although the company describes its life insurance and other policies as voluntary, which enables the lender to claim that the costs can be excluded from APR calculations, some policies are opened without customers'

approving them at the time, the *New York Times* reported in July 2016.[65] The insurance OneMain sells to customers is provided by a wholly owned subsidiary of the company.[66]

OneMain reportedly caps its loans at 36% interest.[67] Yet additional fees and charges can increase the true interest that a borrower pays. In Missouri, for example, OneMain reports that its maximum interest rate on personal loans is 36%. Yet the firm also adds a "prepaid finance charge of the lesser of 5% of principal amount or $75 per loan."[68] In addition to increasing the cost of the loan for the borrower, such fees can incentivize refinancing. In early 2015, OneMain reported that 59% of the loans it had made in the prior year were renewals.[69] In addition, a growing percentage of OneMain's loans are secured by borrowers' cars, thus putting a significant asset at risk in the case of default.[70]

OneMain (and before that Springleaf) has significantly increased its capacity to lend by packaging loans it makes into securities that it sells to investors. Following the firms' acquisitions by Fortress, they have issued more than $6.6 billion of these securities.[71]

Springleaf/OneMain has also been aggressive in persuading state lawmakers to relax restrictions on consumer lenders.[72] In 2016, OneMain pressed for legislative changes in about eight states, the *New York Times* reported in September. Since 2012, when its lobbying campaign began in earnest, OneMain has helped enact legislative changes in at least 10 states.[73]

In addition to its investments in Springleaf and OneMain, Fortress in 2015 provided $150 million in debt financing for a startup online lender, ZestFinance.[74] Harnessing big data to aid lending decisions, the firm lends money at rates as high as an annual 390 percent, the *Washington Post* reported in 2014.

EXAMPLE FEE SCHEDULE

8 Bi-weekly Payments (112 day total term)	Total Fees/ Interest	Total of Payments	APR
$300	$303	$603	490%
$400	$404	$804	490%
$500	$505	$1005	490%
$600	$606	$1206	490%
$700	$707	$1497	490%
$800	$808	$1608	490%

From www.spotloan.com, accessed Aug 3, 2017

ZestFinance has also utilized a relationship with a Native American tribe to circumvent state payday lending and usury laws, making loans through a website called Spotloan. Spotloan is owned by the Turtle Mountain band of the Chippewa Indian tribe of North Dakota, which asserts it isn't subject to state laws.[75] Spotloan has drawn action by multiple state regulators.[76] In August 2016, for example, the Illinois Department of Financial and Professional Regulation ordered Bluechip Financial/ Spotloan to cease and desist from making or collecting on loans in Illinois because the firm did not have a license.[77]

An example fee schedule on Spotloan's website advertises loans with APRs of 490%.[78]

In 2016 Fortress also funded Australia's largest payday lender, Cash Converters, after Australian bank Westpac decided to stop funding businesses that provide payday loans. The AUS$100 million facility from Fortress is substantially larger than the banking facility Cash Converters had previously had with Westpac. Cash Converters Managing Director Peter Cumins said terms and conditions of the Fortress Investment Group facility were "more aligned to the business strategy of the company than our previous supplier".[79]

Just months prior, in June 2015, Cash Converters agreed to pay an AUS$23 million settlement to resolve a class action lawsuit covering 37,500 borrowers. Attorneys for the plaintiffs argued that Cash Converters had imposed hefty fees in violation of New South Wales' interest rate cap.[80]

One of the complainants, Julie Gray, said she found herself in "spiralling debt" after taking out a series of $600 loans. She said she believed the company preyed on vulnerable people.

> ***"You go in and you get one loan, and then different things pop up - you might need new tyres for the car or a washing machine, medicines," she said.***

> ***"You go back and you get another one [and] by the time you pay it off, especially being on a disability pension, you're just chasing nothing.***

In April 2016, borrowers in Queensland also filed a class action lawsuit against Cash Converters, seeking AUS$17 million.[81]

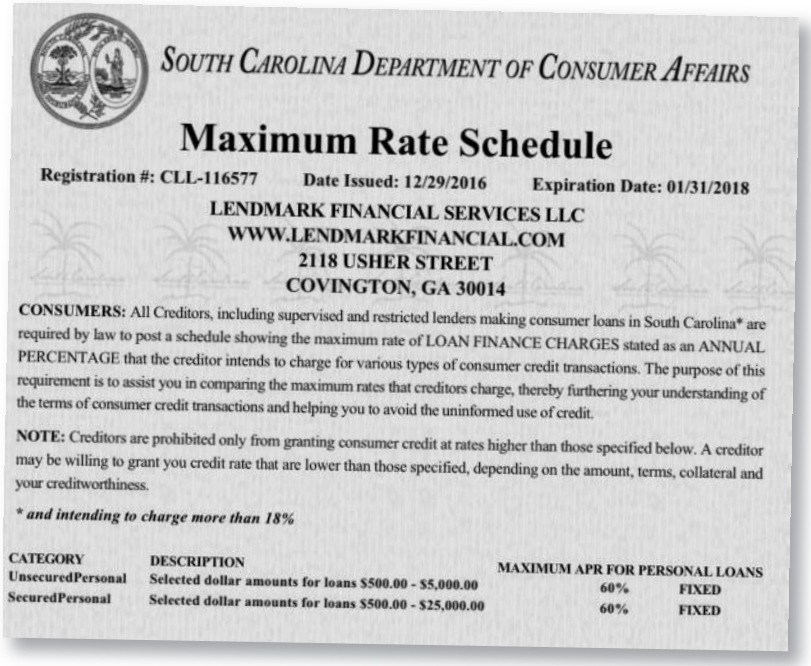
The Australian Securities and Investments Commission (ASIC) in 2015 put the payday lending industry on notice to lift standards after it found many payday firms were falling short of regulatory requirements.[82]

Fortress Investment Group also owns mortgage lender Nationstar[83] and subprime auto lender Security National Automotive Acceptance Corp.[84] In 2015, the Consumer Financial Protection Bureau ordered Security National Automotive Acceptance, which specializes in loans to active-duty US servicemembers and veterans, to pay $3.28 million for using illegal debt collection practices. When consumers defaulted on their loans, the CFPB alleged, "SNAAC used aggressive collection tactics that took advantage of servicemembers' special obligations to remain current on debts."[85]

Blackstone Group—Lendmark Financial Services

Blackstone Group, led by Stephen Schwarzman, who chaired President Trump's Strategic and Policy Forum[86], owns a fast-growing subprime installment lender, Lendmark Financial Services. Schwartzman made $425 million in 2016[87] and has a net worth of $12.4 billion, according to *Forbes.*[88]

Blackstone Senior Managing Director Martin Brand[89] and Principal Eli Nagler[90] serve on Lendmark's board.



SOUTH CAROLINA DEPARTMENT OF CONSUMER AFFAIRS

Maximum Rate Schedule

Registration #: CLL-116577 **Date Issued: 12/29/2016** **Expiration Date: 01/31/2018**

LENDMARK FINANCIAL SERVICES LLC
WWW.LENDMARKFINANCIAL.COM
2118 USHER STREET
COVINGTON, GA 30014

CONSUMERS: All Creditors, including supervised and restricted lenders making consumer loans in South Carolina* are required by law to post a schedule showing the maximum rate of LOAN FINANCE CHARGES stated as an ANNUAL PERCENTAGE that the creditor intends to charge for various types of consumer credit transactions. The purpose of this requirement is to assist you in comparing the maximum rates that creditors charge, thereby furthering your understanding of the terms of consumer credit transactions and helping you to avoid the uninformed use of credit.

NOTE: Creditors are prohibited only from granting consumer credit at rates higher than those specified below. A creditor may be willing to grant you credit rate that are lower than those specified, depending on the amount, terms, collateral and your creditworthiness.

**** and intending to charge more than 18%***

CATEGORY	DESCRIPTION	MAXIMUM APR FOR PERSONAL LOANS	
UnsecuredPersonal	Selected dollar amounts for loans $500.00 - $5,000.00	60%	FIXED
SecuredPersonal	Selected dollar amounts for loans $500.00 - $25,000.00	60%	FIXED

Lendmark South Carolina Maximum Rate Schedule

Blackstone acquired Lendmark in late 2013 from Branch Banking and Trust Company (BB&T). In late 2015 Lendmark acquired 127 branches and related loan assets from Springleaf Financial, nearly doubling the firm's network to 321 branches.[91]

Lendmark offers subprime installment loans from $500 to $15,000.[92] While the interest rates Lendmark charges are lower than payday lenders, the can still be substantial—in South Carolina Lendmark reported that it charges as much as 60% APR for loans.[93]

Like Fortress' Onemain/ Springleaf (and Warburg Pincus' Mariner Finance), Lendmark has packaged a number of the loans it issue into derivative securities and sold them to other investors. Since last year, Lendmark has issued more than $760 million of these securities. Lendmark's first securitization may be structured so as to encourage renewal of customer loans. Data firm Finsight reported that the "portfolio will also include renewed loans that will replace or refinance the existing loan. Additional eligible loans will be added to the portfolio during the Revolving period ending Jan. 31, 2018."[94]

Warburg Pincus—Mariner Finance

New York-based private equity firm Warburg Pincus acquired installment lender Mariner Finance in May 2013.[95] Mariner Finance has more than 450 branches in 22 states.[96] Former Treasury Secretary Tim Geithner serves as President of Warburg Pincus.[97]

Warburg Pincus Managing Directors Michael Martin[98] and Arjun Thimmaya[99] and Principal Eric Friedman[100] serve as directors at Mariner Finance.

Description	Fee
Periodic Interest	0.00% - 36.00%
Recording/Satisfaction Fee	$23 - 151
Legal Fee	Actual Cost Incurred
Repossession Fee	Actual Cost Incurred
Late Fee	5% of the Unpaid Installment
Bad Check Fee	$15
Check by Phone Fee	$6
Internet Payment Fee	$2
Loan by Mail Commitment Fee	$10
Refinancing Fee	$150
Non-Filing Insurance	$25

Mariner Delaware fee disclosure

Similar to OneMain and Lendmark, Mariner Finance makes larger loans and charges lower rates than payday lenders. Mariner Finance makes personal loans of $1,000 to $25,000, including online loans of up to $7,000.[101]

Also like the two other installment lenders, Mariner Finance charges fees that can inflate the cost of its loans. In a recent disclosure in Delaware, for example, the lender reported than in addition to charging an interest rate of up to 36%, Mariner also charges a "Recording/ Satisfaction Fee" of up to $151. Depending on the circumstances, borrowers may also face variety of other fees including an "Internet Payment Fee", a "Check by Phone Fee," a "Loan by Mail Commitment Fee," and a "Legal Fee". Mariner also charges a significant ($150, in Mariner's case), fee for refinancing loans—which could incentivize the lender to encourage borrowers to refinance.[102]

In early 2017, Mariner joined OneMain and Lendmark in bundling the loans it makes into securities that it the sells to other investors. In February 2017, Mariner issued $275 million of Mariner Finance Issuance Trust 2017-A securities.[103]

In addition to unsecured consumer loans, Mariner also offers car loans and home loans.[104]

Sequoia Capital, Technology Crossover Ventures—Think Finance, Elevate Credit

In recent years, a number of tech-enabled, venture capital-funded startups have sought to "disrupt" the consumer finance industry, utilizing the vast pools of data now available about consumers combined with tools such as machine learning to improve credit decisions and shorten underwriting timelines. While such tools could be used to lower the cost of credit for consumers and make subprime consumer

lending more sustainable for borrowers, some consumer-focused financial technology startups have instead utilized the same tactics as payday lenders, charging triple digit APRs along with high fees that are rolled into the cost of the loan and encourage costly refinancing.

Venture capital firms Sequoia Capital and Technology Crossover Ventures have funded two online lending firms with shared origins, Think Finance and Elevate Credit.

John Rosenberg, General Partner at Technology Crossover Ventures, serves as Lead Director on Elevate's board and served as a director on Think Finance's board from 2009 to 2014.[105] Michael Goguen, formerly a partner at Sequoia Capital, previously served on Elevate's board[106] and on the board of directors of Think Finance from 2006 to 2014.[107]

Rees said Think Finance had abandoned doing direct lending itself because "byzantine state laws" made it unprofitable. Native American tribes, he said, "don't have to look to each state's lending laws."

Bloomberg Businessweek
June 2012

Think Finance was founded in 2001 as Payday One, one of the first online payday lenders.[108] In 2005, venture capital firms Sequoia Capital, Technology Crossover Ventures, and Startup Capital Ventures invested in the firm.[109] Think Finance provides "an end-to-end, professionally managed online lending program" including marketing, loan servicing, compliance and risk management.[110] Think Finance enabled online lenders that have used Native American tribal ownership to circumvent state usury laws (e.g. Mobiloans, Great Plains Lending).[111]

"We think this is a big growth market and will be here for a long time," then-CEO of Think Finance Ken Rees said said of tribal lending in a 2012 interview with *Bloomberg Businessweek*. Rees said Think Finance had abandoned doing direct lending itself because "byzantine state laws" made it unprofitable. Native American tribes, he said, "don't have to look to each state's lending laws."[112]

In recent years, Think Finance and Ken Rees have drawn a series lawsuits related to Think Finance's conduct, including multiple suits alleging violation of the Racketeer Influenced and Corrupt Organizations (RICO) Act and similar state statutes.[113]

One of the suits, Gingras v. Rosette, in addition to naming Think Finance and Ken Rees as defendants, also names Sequoia Capital and Technology Crossover Ventures.[114]

In 2014 the Pennsylvania Attorney General filed suit against Think Finance, Rees, and affiliates alleging they had utilized "rent-a-bank" and "rent-a-tribe" schemes to illegally circumvent Pennsylvania usury laws. In early 2016 a federal judge denied Think Finance's motion for summary judgement, meaning case is proceeding to trial.[115]

"If we were re-characterized as a "true lender" with respect to Elastic, or Rise in Ohio or Texas, loans could be deemed to be void and unenforceable in some states..."

Elevate Credit Prospectus
April 2017

In addition to mounting lawsuits, Think Finance has also drawn regulatory scrutiny. In June 2012 and in February 2016 Think Finance received Civil Investigative Demands from the Consumer Financial Protection Bureau to determine whether Think Finance engaged in unlawful acts or practices relating to the advertising, marketing, provision, or collection of small-dollar loan products.[116]

In early 2014, perhaps concerned that mounting legal and/or regulatory issues would stall an initial public offering (IPO), Think Finance spun out its direct lending division into a separate company, Elevate Credit. Ken Rees, who led Think Finance and has been named

in multiple lawsuits related to the firm, serves as Elevate Credit's CEO. Elevate went public through an IPO in April 2017 after a last minute withdrawal of the IPO the previous year. Following the IPO, Sequoia Capital Affiliates owned 18.7% of Elevate Credit and remained the largest investor in the company. Affiliates of Technology Crossover Ventures owned 15.2% of the company.[117]

As of March 2017, some Elevate Credit customers paid interest rates as high as 365%, though new loans had maximum APR of 299%.[118]

While Elevate has not relied on the tribal lender relationships that Think Finance did, it has relied on the relationship with Republic Bank, which is federally chartered, to get around state usury laws. As of the end of March 2017, Elevate Credit's Elastic line of credit, which is issued by Republic Bank, had an average effective APR of approximately 96%.[110] This is significantly higher than limits imposed by usury laws on loans of this size in many states.[120]

Indeed, earlier this year Elevate reported to investors, "If we were re-characterized as a "true lender" with respect to Elastic, or Rise in Ohio or Texas, loans could be deemed to be void and unenforceable in some states, the right to collect finance charges could be affected, and we could be subject to fines and penalties from state and federal regulatory agencies as well as claims by borrowers, including class actions by private plaintiffs."[121]

Victory Park Capital—LoanMart, Finance, Elevate Credit, LendUp, Personify Financial, Avant

Chicago-based private equity firm Victory Park Capital, which features former US Senator Joe Lieberman and former Chicago Mayor Richard Daley on its Advisory Board, has provided funding for several online lenders, some of which have utilized tribal lending or "rent-a-bank" schemes to circumvent state payday lending and usury laws and/or paid large fines related to state and federal regulatory complaints.[122]

Think Finance—Victory Park Capital has funded Think Finance since as early as 2010.[123]

As of September 2016, Victory Park Capital had invested almost $350 million with Think Finance. Specifically, Victory Park appears to have invested in GPL Servicing (GPLS), a Cayman Islands-based entity that acquired loans from Plain Green, a tribal lender owned by the Chippewa Cree Tribe.[124] In 2012, *Bloomberg Businessweek*, citing an unnamed source, reported that Victory Park Capital funded the Plain Green loans by taking a 99 percent participation in them once they were made by the tribe.[125]

"Discovery has revealed, as the proposed [Second Amended Complaint] alleges, that Victory Park was no mere investor; it was actually involved in the development and operation of Think Finance's "tribal" lending structure."

PA Attorney General
April 2017

Victory Park Capital and affiliates were recently named as defendants in the Pennsylvania Attorney General's RICO lawsuit against Think Finance and Ken Rees. In an April 2017 memo, the Pennsylvania AG's office alleged that "discovery has revealed, as the proposed [Second Amended Complaint] alleges, that Victory Park was no mere investor; it was actually involved in the development and operation of Think Finance's 'tribal' lending structure."[126]

Elevate Credit—Victory Park Capital has also played a key role in funding Elevate Credit, which spun off from Think Finance in 2014, including providing capital to acquire loans issued through Elevate's "rent-a-bank" relationship with Republic Bank. Elevate has relied on the relationship with Republic Bank, which is federally chartered, to get around state usury laws. As of the end of March 2017, Elevate Credit's Elastic line of credit, which is issued by Republic Bank, had an average effective APR of approximately 96%.[127] This is significantly higher than limits imposed by usury laws on loans of this size in many states.[128]

As of May 2017, Victory Park Capital had provided a $250 million credit line to Elastic SPV, a Cayman Islands-based entity which purchases loan participations in the Elastic line of credit product originated by Republic Bank & Trust Company.[129]

LendUp pitched itself as a consumer-friendly, tech-savvy alternative to traditional payday loans, but it did not pay enough attention to the consumer financial laws."

Richard Cordray, CFPB Director
September 2016

LoanMart—In March 2016, Victory Park Capital provided a $100 million credit facility to Wheels Financial Group dba LoanMart, a California-based auto title lender. At that time, LoanMart did business in twenty states and reported being the largest auto title lender in California.[130]

Auto title lenders like LoanMart require borrowers to put up the title to their car as security for the loan and place liens on borrowers' vehicles. In some places, LoanMart charges interest rates of more that 200%.[131]

In February 2017, LoanMart agreed to pay the California Department of Business Oversight $450,000 to settle a complaint that the firm had violated the California Finance Lender Law by using unapproved names, engaging in blind advertisements, filing a false report with the Commissioner, compensating unlicensed persons for soliciting or accepting applications for loans, conducting unlicensed brokering from its Illinois branch, and failing to maintain proper books and records.

This was not the first time LoanMart had caught the attention of California regulators. In 2013 the California Department of Business Oversight alleged the company had engaged in false and misleading advertising, leading the department to issue a Desist and Refrain Order.[132]

LendUp—In April 2014, Victory Park Capital provided a $50 million credit facility to Flurish Inc. dba LendUp, an online payday lender.[133] Earlier this year, *Bankrate.com* reported that the APR on a 14-day, $100 loan from LendUp ranges from 235.42% to 625.71% depending on the state in which the borrower resides.[134]

In September 2016, LendUp agreed to pay $6.3 million in refunds and penalties to settle allegations by the California Department of Business Oversight and the federal Consumer Financial Protection Bureau (CFPB) that LendUp charged illegal fees, miscalculated interest rates and failed to report information to credit bureaus despite promising to do so.[135]

"LendUp pitched itself as a consumer-friendly, tech-savvy alternative to traditional payday loans, but it did not pay enough attention to the consumer financial laws," CFPB Director Richard Cordray said in a statement announcing the enforcement action.[136]

Despite the CFPB and the California Department of Business Oversight complaints, in March 2017 Victory Park Capital gave LendUp an additional $100 million credit facility.[137]

PRIVATE EQUITY INVESTMENT IN SUBPRIME CONSUMER LENDERS

Name	Type	Geography	Total Locations	US Locations	PE Firm	Acquired
ACE Cash Express	Payday	23 states	1,000	1,000	JLL, Chatham Capital	Jun-06
DFC Global	Payday	US, Canada, Europe	1,200	250	Lone Star Funds	Jun-14
Speedy Cash/Rapid Cash (Curo Financial Technologies)	Payday	US, Canada, UK	350		FFL Partners	Oct-08
Community Choice Financial	Payday, Installment	US	518	518	Diamond Castle Holdings (53%), Golden Gate Capital (13%)	Apr-11
City Title Loan	Auto Title	AZ, CA, MO, NM, SC, TX			Larsen MacColl Partners, Laurel Capital Partners	Feb-11
Wheels Financial Group (LoanMart)	Auto Title, Installment	US			Victory Park Capital	Mar-16
OneMain	Installment	US	1,800	1,800	Fortress Investment Group	Aug-10
Lendmark Financial Services	Installment	Southeast, Mid-Atlantic, CA, AZ, CO, TX, OH, ID, WA	321	321	Blackstone Group	Oct-13
Mariner Finance	Installment	US	450	450	Warburg Pincus	Jun-13
Caribbean Financial Group	Installment	Caribbean	53	3 (PR)	BayBoston Managers Irving Place Capital	2007, 2015
Lift Credit	Installment	US (online)			Tesani Companies	
The Finance Company	Installment				Current Yield with Participation Fund	Mar-16
Southern Management (mymoneytogo.com)	Installment	AL, GA, OK, SC, TN, TX	270	270	Milestone Partners, Persimmon Tree Capital	May-12
Nationwide Acceptance	Installment, Subprime auto				Prospect Capital	
First Tower	Installment	IL, MS, MO, AL, LA	200	200	Prospect Capital	2012
Elevate Credit	Installment	Online			Sequoia Capital (18.7%), Technology Crossover Ventures (15.2%), Victory Park (5.5%)	May-14
Think Finance	Software platform provider	Online			Victory Park Capital, (debt) Sequoia Capital, Technology Crossover Ventures, Startup Capital Ventures	Sep-05
Flurish (dba LendUp)	Payday	Online			Victory Park Capital (debt), Y Combinator, AFSquare, GV, Thomvest Ventures, QED Investors, Data Collective, Susa Ventures, Radicle Impact, Bronze Investments, SV Angel, Google Ventures	2012-2016
World Acceptance	Installment	Online			Prescott Associates LP (31%)	Dec-14
Insikt	Software platform provider	Online			Atalaya Capital, Revolution Ventures, Firstmark Capital, Serengeti Asset Management, Peterson Ventures	
Avant	Installment	Online			Victory Park Capital (debt), KKR (debt), General Atlantic, Balyasny Asset Management, Hyde Park Venture Partners, Origin Ventures, Hubrix Ventures, J.P Morgan, Ribbit Capital, Tiger Global Management, August Capital, RRE Ventures, Hazel Equity, Accolade Partners, DFJ Growth, Tiger Global Management	
ZestFinance	Payday	Online			Fortress Investment Group (debt), Thiel Capital, Northgate Capital, Lightspeed Venture Partners, Eastward Capital Partners	2011-2016
Borro	Online	Online			Victory Park Capital (debt)	

ENDNOTES

1. E.g. OneMain acquisition of Springleaf Financial, CheckSmart acquisition of California Check Cashing Stores, OneMain Holdings prospectus, May 25, 2017, OneMain Holdings Form 10Q, 1Q17, Community Choice Financial Form 10-K, Mar 29, 2017.
2. E.g. OneMain, Lendmark, http://investor.onemainfinancial.com/CustomPage/Index?keyGenPage=328791, accessed Sept 13, 2017, "Weil Advises Lendmark on its First-Ever Securitization of Personal Loans," Media Release, Mar 16, 2016.
3. E.g. OneMain, CCFI, "Subprime Lender, Busy at State Level, Avoids Federal Scrutiny," New York Times, Sept 6, 2016., "Trump Loyalist Mixes Businesses and Access at 'Advisory' Firm," *New York Times*, Aug 1, 2017.
4. "Management buys out Ace Cash Express for $420M," *Marketwatch*, Jun 7, 2006.
5. ACE Cash Express restated articles of incorporation, Oct 5, 2006.
6. https://www.jllpartners.com/transaction-team, accessed Sept 15, 2017.
7. www.acecashexpress.com, accessed Aug 3, 2017.
8. https://www.acecashexpress.com/, accessed Sept 12, 2017.
9. "'Appalling' predatory lending practices cost Ace Cash Express $10M in settlement with feds," *Dallas Morning News*, Jul 10, 2014.
10. ACE TX CSO Payday Installment Fee Schedule, accessed Aug 16, 2017.
11. ACE Cash Express installment loan rate schedule for California, accessed Sept 22, 2017.
12. Accusation in support of notice of intent to issue order suspending California Deferred Deposit Transaction License, Mar 24, 2015.
13. "ACE Cash Express to pay $10 million over 'cycle of debt' allegations," *LA Times*, Jul 10, 2014.
14. "CFPB Takes Action Against ACE Cash Express for Pushing Payday Borrowers Into Cycle of Debt," Media Release, Jul 10, 2014.
15. Accusation in support of notice of intent to issue order suspending California Deferred Deposit Transaction License, Mar 24, 2015.
16. Settlement Agreement, Oct 5, 2015.
17. Consent Order, State of Washington Department of Financial Institutions, Feb 12, 2016.
18. www.acecashexpress.com/about-ace, accessed Aug 8, 2017. https://www.acecashexpress.com/services, accessed Sept 22, 2017.
19. "Buyouts Snapshot: NJ explores exit of JLL fund with stake in payday lender," www.pehub.com, May 29, 2015.
20. http://www.lonestarfunds.com/, accessed Sept 22, 2017.
21. DFC Global press release, Apr 2, 2014.
22. "The Billionaire Banker In The Shadows," Forbes, Mar 1, 2016.
23. https://www.forbes.com/profile/john-grayken/, accessed Sept 12, 2017.
24. DFC Global press release, Jun 13, 2014.
25. http://www.dfcglobalcorp.com/index.html, accessed Aug 16, 2017.
26. http://www.dfcglobalcorp.com/index.html, accessed Aug 16, 2017.
27. DFC Global SEC Form 10Q, May 9, 2014.
28. "CFPB Orders Auto Lenders to Refund Approximately $6.5 Million to Servicemembers," Consumer Financial Protection Bureau, Jun 27, 2013.
29. "CFPB Orders Auto Lenders to Refund Approximately $6.5 Million to Servicemembers," Consumer Financial Protection Bureau, Jun 27, 2013.
30. "CFPB Orders Auto Lenders to Refund Approximately $6.5 Million to Servicemembers," Consumer Financial Protection Bureau, Jun 27, 2013.
31. "CFPB Orders Auto Lenders to Refund Approximately $6.5 Million to Servicemembers," Consumer Financial Protection Bureau, Jun 27, 2013.
32. moneymart.com, moneymart.ca, paydayuk.co.uk, okmoney.es, okmoney.pl, optimasa.pl, and thecheckcashingstore.com, accessed Aug 16, 2017..
33. http://www.dfcglobalcorp.com/usmiles/usmiles.html, accessed Aug 16, 2017.
34. https://www.moneymart.com, accessed Sept 22, 2017.
35. "Payday Lenders: Hawaii's 'Outrageous' Rates Prompt Reform Efforts," Honolulu Civil Beat, Mar 23, 2015. "Lawmaker Kills Bill To Limit Payday Loan Interest Rates," *Honolulu Civil Beat*, Mar 23, 2017.

36. moneymart.com, accessed Aug 8, 2017.
37. moneymart.com, moneymart.ca, paydayuk.co.uk, okmoney.es, okmoney.pl, optimasa.pl, and thecheckcashingstore.com, accessed Aug 26, 2017.
38. "Watchdog orders payday lender to refund £15m," *Financial Times*, Oct 26, 2015.
39. "Watchdog orders payday lender to refund £15m," *Financial Times*, Oct 26, 2015.
40. www.fflpartners.com/investments/curo-financial-technologies, accessed Jun 29, 2017.
41. https://curo.com/brands, accessed Aug 2, 2017.
42. https://www.speedycash.com/, accessed Sept 12, 2017.
43. http://www.fflpartners.com/our-team/chris-masto, accesed Sept 16, 2017.
44. http://www.fflpartners.com/our-team/karen-winterhof, accessed Sept 16, 2017.
45. $150 single payment bi-weekly OCCC disclosure, www.speedycash.com, Aug 2, 2017.
46. Desist and Refrain Order, October 30, 2008.
47. "When Lenders Sue, Quick Cash Can Turn Into a Lifetime of Debt," *ProPublica*, Dec 13, 2013.
48. "How short-term loans draw vulnerable borrowers into big long-term debt," *Medill News Service*, Apr 9, 2016.
49. Community Choice Financial Form 10-K, Mar 29, 2017.
50. Community Choice Financial Form 10-K, Mar 29, 2017.
51. Community Choice Financial Form 10-K, Mar 29, 2017.
52. https://www.ccfi.com/california-retail-rates-and-terms/, accessed Sept 22, 2017.
53. Community Choice Financial Form 10-K, Mar 29, 2017.
54. "Payday Lenders Pose as Brokers to Evade Interest Rate Caps," Center for Responsible Lending, July 2010.
55. https://www.cashcentral.com/Terms/Texas, accessed Aug 3, 2017.
56. Community Choice Financial Form 10-K, Mar 29, 2017.
57. "NCLC: Banking Regulator Slams Urban Trust Bank, Issuer of Prepaid Card Payday Loans," Media release, Sept 24, 2012. OCC Letter, Aug 23, 2012.
58. DECISION AND ORDER ON PETITION BY CHECKSMART FINANCIAL COMPANY FOR AN ORDER SETTING ASIDE A CIVIL INVESTIGATIVE DEMAND, CFPB, Jan 22, 2014.
59. "Trump Loyalist Mixes Businesses and Access at 'Advisory' Firm," *New York Times*, Aug 1, 2017.
60. United States et al. v. Springleaf Holdings, Inc., et al.; Public Comment and Response on Proposed Final Judgment, Mar 21, 2016.
61. OneMain Holdings prospectus, May 25, 2017. OneMain Holdings Form 10Q, 1Q17.
62. OneMain Holdings Form 10-K, Feb 21, 2017.
63. OneMain Holdings Form 10-K, Feb 21, 2017.
64. "Fortress Executives to Cash In $1.39 Billion From SoftBank Sale," *Bloomberg*, Feb 15, 2017.
65. "How Private Equity Found Power and Profit in State Capitols," *New York Times*, Jul 15, 2016.
66. OneMain Holdings Form 10-K, Feb 21, 2017.
67. "Subprime Lender, Busy at State Level, Avoids Federal Scrutiny," *New York Times*, Sept 6, 2016.
68. OneMain Missouri maximum rate schedule, www.onemainfinancial.com, accessed Aug 3, 2017.
69. OneMain Financial Holdings Form S-1/A, Feb 11, 2015.
70. 43% of OneMain's loans were secured as of the end of 2016 vs. 27% at the end of 2015. OneMain Holdings Form 10-K, Feb 21, 2017.
71. https://finsight.com/sponsor/47, https://finsight.com/sponsor/219, accessed Sept 22, 2017.
72. "How Private Equity Found Power and Profit in State Capitols," *New York Times*, Jul 15, 2016.
73. "Subprime Lender, Busy at State Level, Avoids Federal Scrutiny," *New York Times*, Sept 6, 2016.
74. "ZestFinance Secures $150 Million in Funding From Fortress," Media Release, Oct 6, 2015.
75. "ZestFinance issues small, high-rate loans, uses big data to weed out deadbeats," *Washington Post*, Oct 11, 2014.
76. Cease and Desist Order, Illinois Department of Financial and Professional Regulation, Aug 9, 2016.
77. Cease and Desist Order, Illinois Department of Financial and Professional Regulation, Aug 9, 2016.
78. www.spotloan.com/#, accessed Aug 3, 2017.
79. "Cash Converters turns to Fortress," *The Australian*, Feb 10, 2016.
80. "Cash Converters to refund thousands of people for charging up to 633 per cent interest on loans," http://www.abc.net.au, Jun 18, 2015.

81. "Cash Converters faces $17 million Queensland class action lawsuit," *Sydney Morning Herald*, Apr 27, 2017.
82. "Cash Converters turns to Fortress," *The Australian*, Feb 10, 2016.
83. Nationstar SEC Form DEF 14A, Apr 14, 2017.
84. Presale report, SNACC Auto Receivables Trust 2014-1, S&P, Mar 31, 2014.
85. "CFPB Orders Servicemember Auto Loan Company to Pay $3.28 Million for Illegal Debt Collection Tactics," Media Release, Oct 28, 2015.
86. "President Elect Trump establishes the President's Strategic and Policy Forum," www.blackstone.com, Dec 2, 2016.
87. "Schwarzman's $425 Million Payout Leads Private Equity Titans," *Bloomberg*, Feb 24, 2017.
88. https://www.forbes.com/profile/stephen-schwarzman/, accessed Sept 12, 2017.
89. https://www.blackstone.com/the-firm/our-people/person?person=1000354, accessed Sept 16, 2017.
90. https://www.blackstone.com/the-firm/our-people/person?person=1024926, accessed Sept 16, 2017.
91. "Lendmark Financial Services to acquire 127 Branches from Springleaf Financial," Media Release, Nov 13, 2015.
92. https://www.lendmarkfinancial.com/faq/, accessed Sept 12, 2017.
93. South Carolina mamixum rate schedule, Dec 29, 2016.
94. https://finsight.com/sponsor/244, accessed Sept 22, 2017.
95. "Consumer Finance Industry Update," *Hyde Park Capital*, May 2014.
96. https://www.marinerfinance.com/find-a-branch/, accessed Aug 3, 2017.
97. http://www.warburgpincus.com/people/timothy-f-geithner/, accessed Sept 12, 2017.
98. http://www.warburgpincus.com/people/michael-e-martin/, accessed Sept 16, 2017.
99. http://www.warburgpincus.com/people/arjun-thimmaya/, accessed Sept 16, 2017.
100. http://www.warburgpincus.com/people/eric-friedman/, accessed Sept 16, 2017.
101. https://loans.marinerfinance.com/, accessed Sept 12, 2017.
102. Mariner Finance Delaware Fee Disclosure, June 2017.
103. https://finsight.com/issuer/467, accessed Sept 22,2017.
104. https://loans.marinerfinance.com/, accessed Sept 12, 2017.
105. http://investors.elevate.com/corporate-governance, Sept 16, 2017.
106. Elevate Credit Final Prospectus, Apr 7, 2017.
107. Elevate Credit Form S-1, Nov 9, 2015.
108. "Focusing in: Financial firm spinoff elevates profits," *Fort Worth Business Press*, Apr 10, 2015.
109. "Think Finance Receives Funding From Sequoia Capital And Startup Capital Ventures," www.privco.com, accessed Aug 8, 2017.
110. https://www.thinkfinance.com/about/who-we-are, accessed Sept 12, 2017.
111. https://www.thinkfinance.com/clients, accessed Sept 12, 2017. "Behind 700% Loans, Profits Flow Through Red Rock to Wall Street, *Bloomberg*, Nov 24, 2014.
112. "Payday Lenders and Indians Evading Laws Draws Scrutiny," *Bloomberg Businessweek*, Jun 4, 2012.
113. For example, see Gingras v. Rosette, 15-cv-101, US District Court for the District of Vermont and Commonwealth of Pennsylvania v. Think Finance et al., 14-cv-7139, US District Court for the Eastern District of Pennsylvania.
114. Opinion and Order RE: Cross motion for jurisdictional discovery and motions to dismiss and compel arbitration, Gingras v. Rosette, 15-cv-101, US District Court for the District of Vermont
115. Memorandum, Commonwealth of Pennsylvania v. Think Finance et al., 14-cv-7139, US District Court for the Eastern District of Pennsylvania, Jan 14, 2016
116. Elevate Credit Final Prospectus, Apr 7, 2017.
117. Elevate Credit Final Prospectus, Apr 7, 2017.
118. Elevate Credit Final Prospectus, Apr 7, 2017.
119. Elevate Credit Form 10-Q, May 18, 2017.
120. "Installment Loans: Will states protect borrowers from a new wave of predatory lending," National Consumer Law Center, Jul 2015.
121. Elevate Credit Final Prospectus, Apr 7, 2017.
122. VPC Specialty Lending Strategy presentation, Dec 2016.
123. "Think Finance Gets $90 Million Credit Line But Mum On IPO," PE Hub, Sept 22, 2010.

124. VPC Specialty Lending Strategy presentation, Dec 2016.; Term sheet for Think Finance-Chippewa Cree Transaction, Mar 11, 2011.
125. "Payday Lenders and Indians Evading Laws Draws Scrutiny," *Bloomberg Businessweek*, Jun 4, 2012.
126. Memorandum in support of Commonwealth of Pennyslvania's motion for leave to file second amended complaint, Commonwealth of Pennsylvania v. Think Finance et al., 14-cv-7139, US District Court for the Eastern District of Pennsylvania, Apr 7, 2017.
127. Elevate Credit Form 10-Q, May 18, 2017.
128. "Installment Loans: Will states protect borrowers from a new wave of predatory lending," National Consumer Law Center, Jul 2015.
129. "Elevate Announces Expanded Elastic Funding Capacity," Media Release, May 2, 2017.
130. "Victory Park Capital Provides $100 Million Credit Facility to Wheels Financial Group to Support Company Growth," Media Release, Mar 15, 2016.
131. https://www.800loanmart.com/legal-missouri-disclosures, https://www.800loanmart.com/legal-utah-disclosures, accessed Sept 22, 2017.
132. CA LoanMart Desist and Refrain Order, Jul 11, 2013.
133. "LendUp Raises $50 Million To Disrupt Payday Lending," *TechCrunch*, Apr 28, 2014.
134. "LendUp personal loans: 2017 comprehensive review," Bankrate.com, May 2, 2017.
135. "Google-backed LendUp fined by regulators over payday lending practices," *LA Times*, Sept 27, 2016.
136. "Google-backed LendUp fined by regulators over payday lending practices," *LA Times*, Sept 27, 2016.
137. "Victory Park Provides $100MM LendUp Facility," *ABF Journal*, Mar 3, 2017.