

**IN THE COURT OF COMMON PLEAS OF
PHILADELPHIA COUNTY, PENNSYLVANIA
CIVIL TRIAL DIVISION**

**Commonwealth of Pennsylvania,
By Attorney General Josh Shapiro,**

Plaintiff,

vs.

**Dominion Management of Delaware, Inc. D/B/A
CashPoint, Dominion Management Services,
Inc., Michael H. Lester, and Kevin A. Williams,**

Defendants.

CIVIL ACTION - EQUITY

Case No. 181004224

October Term, 2018

ORDER

AND NOW, this 19th day of October, 2021, upon consideration of the Amended Complaint, the evidence presented at trial on October 19, 2021, the July 13, 2020 Order of the Honorable Lisette Shirdan-Harris, and the December 7, 2020 Order of the Honorable Giovanni Campbell, IT IS HEREBY ORDERED and DECREED that Judgment is ENTERED in favor of Plaintiff and against Defendants Dominion Management of Delaware, Inc. d/b/a CashPoint and Dominion Management Services, Inc., and Kevin A. Williams, individually and as Vice President and owner of Defendants Dominion Management of Delaware, Inc. d/b/a CashPoint and Dominion Management Services, Inc. The Court makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. At all times relevant hereto, Dominion Management of Delaware, Inc. d/b/a CashPoint and Dominion Management Services, Inc., (collectively, the "Corporate Defendants") together with Kevin A. Williams ("Williams") (all three collectively, "Defendants"), engaged in

trade and commerce by offering, selling, and originating motor vehicle title loans (“Title Loans”) to Pennsylvania borrowers and by servicing and collecting on borrowers’ Title Loans. Williams and the Corporate Defendants engaged in the following conduct within Pennsylvania:

- a. The Corporate Defendants and Williams placed liens on over 3,200 Pennsylvania car titles by filing liens with the Pennsylvania Department of Transportation (“PennDOT”).
- b. The Corporate Defendants and Williams accepted payments by checks, debit cards, and credit cards issued by Pennsylvania banks.
- c. The Corporate Defendants and Williams mailed collection letters to consumers in Pennsylvania, made collection phone calls to consumers in Pennsylvania, and they sent collection emails and text messages to consumers in Pennsylvania.
- d. The Corporate Defendants and Williams engaged as their agents Pennsylvania-based repossession agents to repossess at least 518 Pennsylvania-titled cars in Pennsylvania.
- e. The Corporate Defendants and Williams engaged as their agents Pennsylvania-based auction companies to sell the repossessed cars at auctions in Pennsylvania.

2. The Commonwealth of Pennsylvania, Office of Attorney General (“Commonwealth”) has received numerous complaints from consumers about the Corporate Defendants.

3. Dominion Management of Delaware, Inc. d/b/a CashPoint is a for-profit Delaware corporation that maintains a registered corporate address at 2231 North DuPont Highway, New Castle, DE 19720.

4. Dominion Management Services, Inc. is a for-profit Delaware corporation that maintains a registered corporate address at 411 E. Franklin Street, Suite 600, Richmond, VA, 23219.

5. Defendant Kevin A. Williams is an individual residing at 2123 Galloping Way, Vienna, VA 22181.

6. The Corporate Defendants are both corporations.

7. The Corporate Defendants operated the websites www.cashpointVA.com, www.cashpointDE.com, and www.cashpointPA.com. As of April 3, 2018, the website www.cashpointPA.com was redirecting traffic to www.cashpointDE.com.

8. Neither Corporate Entity was or is registered or licensed with the Pennsylvania Department of State, Bureau of Corporations, or with the Pennsylvania Department of Banking and Securities. Neither Corporate Entity was or is registered to use the fictitious name "CashPoint" with the Pennsylvania Department of State.

9. At all times relevant hereto, Williams was Vice President and Secretary of the Corporate Defendants. He conceived and formed the Corporate Defendants in 2006. As an officer with authority to act for the Corporate Defendants, Williams was and is responsible for all conduct done in the name of the Corporate Defendants.

10. Williams directed, supervised, controlled, approved, formulated, authorized, ratified, benefited from, and / or otherwise participated in the acts and practices hereinafter described. Williams was intimately involved in and directed the Corporate Defendants' day to day activities. He executed and/or ratified all important business decisions, including which states to operate in and how much interest to charge on the Title Loans.

11. At all times relevant hereto, Williams owned 33.33% of the equity of the Corporate Defendants and, as a result, Williams personally received 33.33% of the profits, dividends, and other cash distributions made by the Corporate Defendants.

12. Between January 2013 and August 2017, the Corporate Defendants and Williams solicited, negotiated, and executed over 3,200 Title Loans to Pennsylvania residents for amounts below \$25,000 and interest rates above 6% without maintaining proper licensure with the Pennsylvania Department of Banking as required by the CDCA, 7 P.S. § 6201, *et seq.*, and LIPL, 41 P.S. § 101, *et seq.* These Title Loans amounted to \$2.5 million in credit extended.

13. The Corporate Defendants and Williams charged interest rates of 360% per annum in some instances.

14. Between January 2013 and March 20, 2018, the Corporate Defendants and Williams collected \$5.7 million from Pennsylvania consumers toward repayment of the \$2.5 million in Title Loans. During that same period, the Corporate Defendants and Williams charged Pennsylvania consumers more than \$3.7 million in finance charges.

15. Between June 2013 and January 2018, the Corporate Defendants and Williams repossessed at least 559 vehicles owned by Pennsylvania consumers. The Corporate Defendants and Williams carried out the vast majority of these repossessions - 518 - using Pennsylvania repossession agents.

16. In 2015 and other years, the Corporate Defendants and Williams advertised in Pennsylvania over television and radio.

17. As of April 2021, the Corporate Defendants and Williams had 800 liens still registered with PennDOT.

CONCLUSIONS OF LAW

Corrupt Organizations Act

18. Under COA, 18 Pa. C.S.A. § 911, “racketeering activity” includes the collection of any money on account of a debt which arose as the result of the lending of money at a rate of interest exceeding 25% per annum. 18 Pa. C.S.A. § 911(h)(1)(iv). The above-described scheme constitutes “racketeering activity” in that the consumer credit offered and collected by the Corporate Defendants and Williams is at an effective rate far exceeding 25% per annum.

19. Under 18 Pa. C.S.A. § 911(b)(1), it is unlawful for any person who has received income derived, directly or indirectly, from a pattern of “racketeering activity” in which such person participated as a principal, to use or invest, directly or indirectly, any part of such income in the operation of any “enterprise.”

20. The Corporate Defendants and Williams participated as a principal in the racketeering activity described above in that he aided, abetted, counseled, commanded, induced or procured the usurious and illegal lending described above.

21. The Corporate Defendants and Williams derived income from such racketeering activity and used or invested that income in the operation of an “enterprise,” as defined by 18 Pa. C.S.A. § 911(h)(3), such enterprises being, among others, Dominion Management of Delaware, Inc. d/b/a CashPoint and Dominion Management Services, Inc.

22. Through their above-described acquisition, use and investment of funds acquired from a usury scheme, the Corporate Defendants and Williams violated and are continuing to violate 18 Pa. C.S.A. § 911(b)(1).

23. A violation of COA “shall be deemed to continue so long as the person who committed the violation continues to receive any benefit from the violation.” 18 Pa. C.S.A. §

911(c). The Corporate Defendants and Williams are continuing to receive benefits from the violation in the form of the income they derived from the enterprises.

24. Under 18 Pa. C.S.A. § 911(b)(4), it is unlawful for any person “to conspire to violate” §§ 911(b)(1) or (b)(3). The Corporate Defendants and Williams conspired to violate 18 Pa. C.S.A. §§ 911(b)(1) and (b)(3), in violation of 18 Pa. C.S.A. § 911(b)(4), by engaging in—and profiting from—lending activity that they knew was illegal in Pennsylvania.

Unfair Trade Practices and Consumer Protection Law

25. The Corporate Defendants and Williams caused a likelihood of confusion or misunderstanding by misrepresenting, explicitly or implicitly, that it was legal for the Corporate Defendants and Williams to offer and provide Title Loans to residents of the Commonwealth. In fact, these loans were void *ab initio*.

26. The Corporate Defendants and Williams failed to register the name “CashPoint” with the Pennsylvania Department of State in accordance with the Fictitious Names Act, 54 Pa.C.S. § 301 *et seq.*

27. By conducting business in Pennsylvania without such mandatory registration and by causing a likelihood of consumer confusion as described above, the Corporate Defendants and Williams committed unfair and deceptive acts or practices prohibited by Section 201-3 of the Unfair Trade Practices and Consumer Protection Law (“Consumer Protection Law”) including:

- a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b. Section 201-2(4)(iii), by causing likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by another;

- c. Section 201-2(4)(v), by representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have; and
- d. Section 201-2(4)(xxi), by engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

28. The above-described Consumer Protection Law violations having been and continuing to be willful, in so far as they are the result of a deliberate scheme to circumvent state usury laws, the Court may order civil penalties for the benefit of the Commonwealth, in the amount of \$1,000 per violation—and, in the case of consumers sixty years of age or older, \$3,000 per violation—pursuant to 73 P.S. § 201-8(b).

Loan Interest and Protection Law

29. Under Section 201 of the Loan Interest and Protection Law (LIPL), 41 P.S. § 201, the maximum lawful rate of interest for the loan and use of money in amounts less than \$50,000 is six percent per year.

30. The six-percent interest cap applies to all consumer lenders except those lenders who are licensed under the Consumer Discount Company Act (CDCA), 7 P.S. §§ 6201-6219, and who make loans in accordance with the limitations and requirements of that statute. See *Pa. Dept. of Banking v. NCAS of Delaware, LLC*, 948 A.2d 752 (Pa. 2008). This cap applies to all credit-related charges, however labeled, and applies to credit lines as well as fixed-amount loans. *Id.*

31. The Supreme Court has established that “the effect of these two statutes [CDCA and LIPL] is that if a lender is licensed by the Department [of Banking] in accord with the CDCA, it can charge between 6–24% on loans under \$25,000. If it is not licensed, it is bound by

the 6% cap imposed by the LIPL.” *Cash Am. Net of Nevada, LLC v. Com., Dep’t of Banking*, 607 Pa. 432, 437–38 (2010).

32. Since neither the Corporate Defendants nor Williams was or is licensed under the CDCA, the Corporate Defendants and Williams were and are prohibited from making or collecting on any consumer loans to Pennsylvania residents that charge interest at rates in excess of six percent per year.

33. The Corporate Defendants and Williams issued Title Loans with interest rates above 200%, greatly exceeding the maximum limit of 6% per annum in place for loans at \$50,000 or lower as set forth by LIPL, 41 P.S. §§ 201-202.

34. The Corporate Defendants and Williams violated the LIPL by charging, collecting or contracting for interest and fees in excess of 6% per annum without a license under the CDCA, or otherwise authorized by any other provision of law. 7 P.S. § 6203; 41 P.S. §§ 201-202.

35. The Corporate Defendants and Williams have violated the LIPL as set forth above, and by virtue of such violations have thereby also violated Section 201-3 of the Consumer Protection Law, including without limitation:

- a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b. Section 201-2(4)(iii), by causing likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by another;
- c. Section 201-2(4)(v), by representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have; and

d. Section 201-2(4)(xxi), by engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

36. In summary, the Corporate Defendants and Williams are found to have violated the following Pennsylvania laws:

- A. Section 911(b)(1) of COA, 18 Pa. C.S.A. § 911(b)(1);
- B. Section 911(b)(4) of COA, 18 Pa. C.S.A. § 911(b)(4);
- C. Section 201-3 of the Consumer Protection Law, 73 P.S. § 201-3; and
- D. Section 201(a) of LIPL; 41 P.S. § 201; 7 P.S. § 6203; and Section 201-3 of the CPL, 73 P.S. § 201-3.

FINAL DECREE

AND NOW, this 19th day of October, 2021 it is

HEREBY ORDERED:

Pursuant to Section 201-4 of the Consumer Protection Law, Dominion Management of Delaware, Inc. d/b/a CashPoint, Dominion Management Services, Inc., and Kevin A. Williams are subject to the following permanent injunctive provisions:

1. The Corporate Defendants and Williams shall not participate in, own more than 1% of the equity or debt of, or serve as an employee or officer in, any entity that offers, brokers, originates, or acquires loans, leases, or any other form of credit (including but not limited to installment sales contracts) to residents of Pennsylvania.

2. The Corporate Defendants and Williams shall not offer, broker, originate, purchase, or take assignment of any loans, leases, or any other form of credit (including but not limited to installment sales contracts) to residents of Pennsylvania.

3. Within 30 days of the date of this Order, the Corporate Defendants and Williams shall take all actions necessary to: (a) release all remaining liens registered with PennDOT in the names of Dominion Management of Delaware, Inc. or Dominion Management Services, Inc., (b) convey proper vehicle title to all consumers who own a vehicle subject to such a lien. Such actions shall include, but not be limited to, providing lien release letters to PennDOT and/or consumers, mailing titles to consumers, and submitting duplicate title requests for consumers whose titles cannot be located. The Corporate Defendants and Williams shall provide proof of such lien releases and title conveyances to the Commonwealth within 60 days of the date of this Order.

4. With respect to the outstanding loans to Pennsylvania residents, the Corporate Defendants and Williams shall *not*: (a) sell or otherwise assign the loans, (b) attempt to collect debts allegedly arising from the loans, including but not limited to by repossessing the vehicles, (c) furnish information on the loans to any consumer reporting agencies, or (d) disclose any information regarding the loans to any third party (except the consumer(s) whose name(s) are on each loan).

5. With respect to the outstanding loans to Pennsylvania residents, the Corporate Defendants and Williams shall not accept (and shall return) any payments sent by consumers.

6. With respect to the outstanding loans to Pennsylvania residents, the Corporate Defendants and Williams shall provide any and all information requested by the Commonwealth so that it may provide restitution payments to consumers.

7. Any beneficial interest in consumer debt purportedly owed by Pennsylvania consumers to the Corporate Defendants and/or Williams is hereby declared invalid and those balances were void *ab initio*.

8. The Corporate Defendants and Williams shall cease and desist from violating and shall comply with:

- a. Section 911(b)(1) of COA, 18 Pa. C.S.A. § 911(b)(1);
- b. Section 911(b)(4) of COA, 18 Pa. C.S.A. § 911(b)(4);
- c. Section 201-3 of the Consumer Protection Law, 73 P.S. § 201-3; and
- d. Section 201(a) of LIPL; 41 P.S. § 201; 7 P.S. § 6203; and Section 201-3 of the CPL, 73 P.S. § 201-3.

9. Judgment is hereby entered against the Corporate Defendants and Williams, jointly and severally, and in favor of the Commonwealth, in the amount of eight million five hundred sixty-seven thousand one hundred sixty-four dollars (\$8,567,164), which represents the following:

- a. Restitution. Pursuant to Section 201-4.1 of the Consumer Protection Law, the Corporate Defendants and Williams shall pay to the Commonwealth restitution in the amount of five million three hundred twenty-six thousand one hundred sixty-four dollars (\$5,326,164), which is the sum of: (1) the finance charges that the Corporate Defendants and Williams charged consumers on the unlawful loans (\$3,700,000), (2) to reimburse repossession fees and loss of use of the vehicle, \$1,000 for each of the 559 consumers whose vehicles was subject to a repossession order (\$559,000) between June 2013 and January 2018, and (3) interest on the finance charges and repossession damages at the rate of six percent per annum, compounding annually, from January 2018 through October 2021 (\$1,067,164). 73 P.S. § 201-4.1. Defendants shall be liable, jointly and severally, for the payment of such restitution and judgment is hereby entered against said

Defendants, jointly and severally, and in favor of the Commonwealth for restitution in such amount.

b. Civil Penalties. Defendants were acting together in the conduct which constituted violations of the Consumer Protection Law. Defendants shall be liable, jointly and severally, for the payment of a civil penalty in the amount of three million two hundred thousand dollars (\$3,200,000), which constitutes a civil penalty of \$1,000 per violation pursuant to Section 201-8(b) of the Consumer Protection Law. 73 P.S. § 201-8. The Corporate Defendants and Williams made and collected on about 3,200 loans to Pennsylvanians.

c. Costs. Defendants shall be liable, jointly and severally, for the payment of costs in the amount of forty-one thousand dollars (\$41,000), pursuant to Section 201-4.1 of the Consumer Protection Law, which the costs to the Commonwealth of this investigation and litigation. The Commonwealth shall deposit these funds into an interest-bearing account from which both principal and interest shall be expended for public protection and education purposes. 73 P.S. § 201-4.1.

10. In addition, the Corporate Defendants and Williams shall disgorge and forfeit any additional profits they derived to the Commonwealth as a result of their unlawful conduct.

11. No later than 30 days after the date of this Order, the Corporate Defendants and Williams shall pay a total of eight million five hundred sixty-seven thousand one hundred sixty-four dollars (\$8,567,164) plus any additional disgorged profits to the Commonwealth for restitution, costs, and civil penalties. Such payment shall be made via cashier's check or wire transfer. If paid by cashier's check, the Corporate Defendants and Williams shall make it payable

to Commonwealth of Pennsylvania and send it to: Office of Attorney General, Attn: Marie Sprameli-Hinkle, 1600 Arch St, 3rd Floor, Philadelphia, PA 19103.

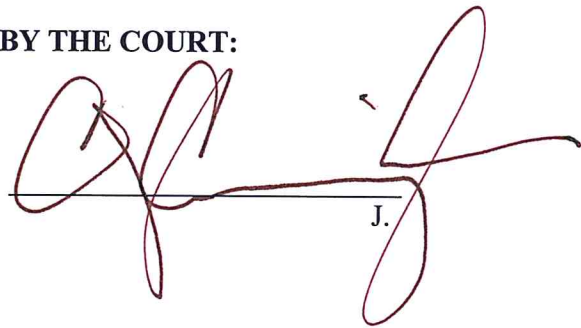
12. If a corresponding Order and Judgment is entered in the related action before this Court, *Commonwealth v. Mark S. Williams*, Case No. 200900214, then any payments made by Mark S. Williams to the Commonwealth in satisfaction of such Judgment may be counted by Defendants in this action (*Comm. v. Dominion*) as payments made towards the amount due and owing to the Commonwealth under this Order.

13. The Commonwealth shall use the funds paid by Defendants as restitution: (1) to distribute funds to borrowers as the Commonwealth directs, and (2) to pay for costs and expenses of any Settlement Administrator. After the Commonwealth or its Settlement Administrator has completed the distribution of restitution funds to borrowers, including making reasonable attempts to contact payees of uncashed checks and waiting a reasonable period of time not less than ninety (90) calendar days, all uncashed checks may be voided. Once such uncashed checks have been voided, any remaining funds in the restitution account (including any accrued interest) will be distributed to the Commonwealth to be deposited in an interest-bearing account from which both principal and interest shall be expended for public protection and education purposes.

14. The Commonwealth shall have sole discretion concerning the distribution of the restitution funds which may include determining the borrowers to whom the Defendants made loans, collected payments, or repossessed vehicles, the nature and amount of such payment, and directing a Settlement Administrator to make payments to these borrowers. Any payments to borrowers will be intended to provide compensation for losses that borrowers experienced as a result of Defendants' unlawful conduct.

15. Within 10 days of receiving any written request by the Commonwealth, the Corporate Defendants and Williams agree to promptly provide the Commonwealth with any and all information the Commonwealth deems necessary to permit the Commonwealth and any Settlement Administrator to distribute funds to borrowers including, but not limited to, providing relevant borrowers' full names and any known maiden names, other names, or aliases; last known mailing address; last known email and telephone numbers; other prior mailing or email addresses and telephone numbers as requested; social security numbers; and customer identification numbers or loan identification numbers.

BY THE COURT:



J.