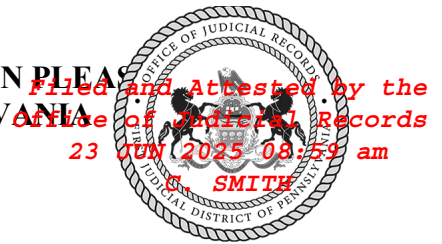


IN THE PHILADELPHIA COURT OF COMMON PLEAS
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA
CIVIL TRIAL DIVISION



COMMONWEALTH OF PENNSYLVANIA,
BY ATTORNEY GENERAL DAVID W.
SUNDAY, JR.,

Petitioner,

v.

TRUEACCORD CORP.

Respondent.

June Term, 2025

No. _____

ASSURANCE OF VOLUNTARY COMPLIANCE

AND NOW, comes the Commonwealth of Pennsylvania, acting by Attorney General David W. Sunday, Jr., (hereinafter “Commonwealth” or “Petitioner”), which caused an investigation to be made into the business practices of TrueAccord Corp. (hereinafter “Respondent” or “TrueAccord”), pursuant to the provisions of the *Pennsylvania Unfair Trade Practices and Consumer Protection Law*, 73 P.S. § 201-1, *et seq.* (hereinafter “*Consumer Protection Law*”) and the *Fair Credit Extension Uniformity Law*, 73 P.S. § 2270.1, *et seq.* and states the following:

DEFINITIONS

WHEREAS, for purposes of this Agreement, the following definitions shall apply:

A. “Document” or “documents” shall mean all physically or electronically stored information, including writings, drawings, graphs, charts, photographs, sound recordings, images, and other data or data compilations stored in any medium from which information can be obtained, and shall include drafts, non-identical copies, and file folders and jackets in which documents are

contained. “Non-identical copies” are reproductions of original documents which have notations, markings, comments, or other material not appearing in the original.

B. “Effective Date” of this Assurance of Voluntary Compliance shall be the day it is filed with the Court of Common Pleas of Philadelphia County, Pennsylvania.

C. “Tribal Loans” shall refer to loans where the creditor is an online lender affiliated with a federally recognized Native American tribe that is not registered under Pennsylvania’s *Consumer Discount Company Act*, 7 P.S. §§ 6201-6219 and charges interest on loans to Pennsylvania consumers in excess of that permitted by Pennsylvania’s *Loan Interest and Protection Law*, 41 P.S. § 201.

PARTIES

WHEREAS, Petitioner is the Commonwealth of Pennsylvania by Attorney General David W. Sunday, Jr., with offices located at 1600 Arch Street, 3rd Floor, Philadelphia, PA 19103.

WHEREAS, Respondent is a for-profit Delaware corporation that maintains a principal place of business located at 16011 College Blvd., Suite 130, Lenexa, KS 66219.

BACKGROUND

WHEREAS, Respondent has engaged in trade and commerce within Pennsylvania by engaging in debt collection of accounts owed by Pennsylvania consumers, including but not limited to collection of Tribal Loans.

WHEREAS, 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 \$50,000.00 is six percent per year.

WHEREAS, 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.*

WHEREAS, 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, 8 A.3d 282, 285–86 (2010).

WHEREAS, the *Fair Credit Extension Uniformity Act* (“*FCEUA*”) defines a debt collector as a “person not a creditor conducting business within this Commonwealth, acting on behalf of a creditor, engaging or aiding directly or indirectly in collecting a debt owed or alleged to be owed a creditor or assignee of a creditor.” 73 P.S. § 2270.3(1).

WHEREAS, any violation of the federal *Fair Debt Collection Practices Act*, 15 U.S.C. § 1692, *et. seq.* by a debt collector is deemed to be a violation of the *FCEUA*. 73 P.S. § 2270.4(a).

WHEREAS, the FDCPA prohibits debt collectors from falsely representing the “character, amount, or legal status of any debt.” 16 U.S.C. § 1692e(2)(A).

WHEREAS, an unfair or deceptive debt collection act or practice under the *FCEUA* is deemed a violation of the *Consumer Protection Law*. 73 P.S. § 2270.5(a).

WHEREAS, based upon its investigation, the Commonwealth believes the Respondent has engaged in conduct which violates the *Consumer Protection Law* as more fully set forth below:

1. Respondent is a debt collector that collected and/or attempted to collect debts from Pennsylvania consumers related to Tribal Loans.

2. Respondent collected and/or attempted to collect debts from Pennsylvania consumers related to Tribal Loans whose interest rates exceeded that permitted under Pennsylvania law.
3. The Commonwealth asserts that in collecting Tribal Loans, TrueAccord misrepresented to Pennsylvania consumers the legal status of these alleged debts as lawfully due and owing despite the prohibition on such loans in Pennsylvania law.
4. Respondent received compensation for collection of Tribal Loans from Pennsylvania consumers in the form of a percentage of the payments collected.
5. Respondent has voluntarily ceased its collection of Tribal Loans as of June 2022.

WHEREAS, the Commonwealth asserts that the aforesaid alleged acts and practices constitute “unfair methods of competition” and/or “unfair or deceptive acts or practices,” as prohibited by Section 201-3 of the *Consumer Protection Law*, as defined by Section 201-2(4)(ii), (iii), (v), and (xxi) as follows:

1. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have or that a person has sponsorship, approval, status, affiliation or connection that he does not have, 73 P.S. § 201-2(4)(v); and
2. Engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding, 73 P.S. § 201-2(4)(xxi);

WHEREAS, TrueAccord maintains that neither the Fair Debt Collection Practices Act nor the Fair Credit Extension Uniformity Act require a debt collector to investigate the validity of a debt in the absence of receipt of a dispute from the consumer by the debt collector.

WHEREAS, TrueAccord denies the Commonwealth’s allegations, but nonetheless wishes to enter this compromise to resolve this dispute;

WHEREAS, Respondent voluntarily ceased collection of Tribal Loans in June 2002 and returned all such accounts to their original creditor.

WHEREAS, Respondent has not reported and does not actively report the status of Tribal Loans to credit reporting agencies.

WHEREAS, Respondent agrees not to violate the *Consumer Protection Law* or *FCEUA*.

WHEREAS, this Assurance of Voluntary Compliance (“AVC”) is accepted by the Commonwealth pursuant to Section 201-5 of the *Consumer Protection Law*, in lieu of commencing statutory proceedings provided under Sections 201-4 of the *Consumer Protection Law* and shall not be considered an admission of a violation, 73 P.S. §§ 201-4 and 201-5; and

WHEREAS, under Section 201-5 of the *Consumer Protection Law*, this Assurance of Voluntary Compliance shall not be considered an admission of a violation for any purpose. 73 P.S. § 201-5.

SETTLEMENT TERMS

NOW THEREFORE, having conducted trade and commerce within the Commonwealth, Respondent agrees for itself, its successors, assigns, agents, employees and all other persons acting on its behalf, directly or through any corporate or other business device to the following:

I. Injunctive and Affirmative Relief

A. Respondent shall comply with any and all provisions of the *Consumer Protection Law* and any amendments thereto; and, is permanently enjoined from any violation thereof.

B. Respondent is enjoined and prohibited from violating the *FCEUA*.

C. Respondent shall not engage, as principal, employee, agent or broker, in the business of collecting Tribal Loans, directly, or in association with any third party, to any

Pennsylvania resident, including by furnishing negative credit information to any consumer reporting agency.

D. Respondent shall preserve all Tribal Loan collections records and documents with respect to accounts of Pennsylvania consumers established on or after January 1, 2019 in accordance with its documented data destruction policy.

E. For all future clients of Respondent who place accounts with Respondent that include consumers with a mailing address in Pennsylvania, Respondent shall review the interest rate(s) charged on each account portfolio placed. If the portfolio is not originated by either a national bank or an entity licensed by the Pennsylvania Department of Banking and Securities, then Respondent shall require its client to certify that the interest rate charged on each loan placed with Respondent for collection complies with Pennsylvania law, including but not limited to, the *LIPL* and *CDCA*. Where this certification is required, Respondent shall not engage in any collections activity until a completed certification is received.

II. Monetary Relief

A. Respondent agrees to pay the sum of Twenty-Eight Thousand Five Hundred Seventy-One and 51/100 (\$28,571.51) (hereinafter “Required Payment”), which shall be allocated as follows:

1. **Restitution** to Pennsylvania consumers from who Respondent collected on Tribal Loans in the amount of Twenty-three Thousand Four Hundred and 00/100 dollars (\$23,400.00);
2. **Civil Penalties** in the amount of Five Thousand Dollars (\$5,000.00) shall be distributed to the Commonwealth of Pennsylvania, Department of Treasury;
and

3. **Costs of Investigation** in the amount One Hundred Seventy-One and 51/100 Dollars (\$171.51) shall be distributed to the Commonwealth of Pennsylvania, Office of Attorney General, to reimburse the costs incurred in pursuing this enforcement action, and shall be deposited in an interest-bearing account from which both principal and interest shall be expended for future public protection and education purposes.

B. Respondent shall pay this monetary relief on the Effective Date.

C. Respondent shall submit the Required Payments by wire transfer, certified check, cashier's check, or money order, made payable to the Commonwealth of Pennsylvania, Office of Attorney General, and forwarded to the attention of Debra Djupman Warring, Esq., Office of Attorney General, 1600 Arch Street, Suite 300, Philadelphia, PA 19103. Respondent shall ensure that the Required Payments are received by the Commonwealth by the Effective Date.

D. The Commonwealth shall use the funds paid by Respondent 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.

E. The Commonwealth shall have sole discretion concerning the distribution of restitution funds which may include determining the borrowers to whom the Respondent made

loans, collected payments, the nature and amount of such payment, and directing a Settlement Administrator to make payments to these borrowers.

F. After Respondent has made the Required Payments, Respondent shall no longer have any property right, title, interest, or other legal claim in any funds held in escrow.

G. Suspended Civil Penalty

An additional civil penalty pursuant to Section 201-8(b) of the Consumer Protection Law is assessed against Defendants and in favor of the Commonwealth in the amount of Five thousand and 00/100 Dollars (\$5,000.00) and shall be suspended at this time (herein referred to as the “Suspended Civil Penalty”), subject to the following:

1. Upon the issuance of a final order by the Court of Common Pleas of Philadelphia County or any court of competent jurisdiction finding that Respondent is in default of any of the terms and conditions of this AVC, the Suspended Civil Penalty and any other relief ordered by the Court, including any further civil penalties pursuant to Section 201-8(a) of the Consumer Protection Law, shall become immediately due and payable by Respondent and a judgment shall be entered by the Court of Common Pleas of Philadelphia County or such court of competent jurisdiction against Respondent and in favor of the Commonwealth, in the full amount of the Suspended Civil Penalty and any other relief ordered by the Court.

2. In the event that Respondent is found to be in default of the terms and conditions of this AVC, the Suspended Civil Penalty and any other relief ordered by the Court, including any further civil penalties pursuant to Section 201-8(a) of the Consumer Protection Law, shall become immediately due and payable by Respondent and a judgment shall be entered by the Court of Common Pleas of Philadelphia County or such court of competent jurisdiction

against Respondent and in favor of the Commonwealth, in the full amount of the Suspended Civil Penalty and any other relief ordered by the Court.

III. Miscellaneous Terms

A. The Philadelphia Court of Common Pleas shall maintain jurisdiction over the subject matter of this AVC and over the Respondent for purpose of enforcement of the terms of this AVC.

B. Time shall be of the essence with regards to Respondent's obligations hereunder.

C. Any failure of the Commonwealth to exercise any of its rights under this AVC shall not constitute a waiver of its rights hereunder.

D. Mark Ravanese as Chief Executive Officer of TrueAccord Corp., hereby states that he is authorized to enter into and execute this AVC on behalf of TrueAccord Corp.

E. Respondent is and has been represented by legal counsel and has been advised by their legal counsel of the meaning and effect of this AVC.

F. Respondent shall not, directly or indirectly, form a separate entity or corporation for the purpose of engaging in acts prohibited by this AVC or for the purpose of circumventing this AVC.

G. Respondent further agrees to execute and deliver all authorizations, documents and instruments which are necessary to carry out the terms and conditions of this AVC, whether required prior to, contemporaneous with or subsequent to the Effective Date, as defined herein.

H. Nothing contained in this AVC shall be construed to waive or limit any individual right of action by any consumer, person or entity, or by any local, state, federal or other governmental entity.

I. Respondent agrees by the signing of this AVC that Respondent shall abide by each of the aforementioned provisions and that the breach of any one of these terms shall be sufficient warrant for the Commonwealth of Pennsylvania to seek penalties provided for under Section 201-8(a) of the *Consumer Protection Law*, 73 P.S. § 201-8(a), and to seek any other equitable relief which the Court deems necessary or proper, up to and including forfeiture of the right to engage in trade or commerce within the Commonwealth of Pennsylvania.

J. This AVC may be executed in any number of counterparts and by different signatories on separate counterparts, each of which shall constitute an original counterpart hereof and all of which together shall constitute one and the same document. One or more counterparts of this AVC may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart hereof.

K. Respondent understands and agrees that if it has made any false statement in or related to this AVC, that such statement is made pursuant to and under penalty of 18 Pa. C.S. § 4904 relating to unsworn falsifications to authorities.

L. This AVC sets forth all of the promises, covenants, agreements, conditions and understandings between the parties, and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied. There are no representations, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this AVC that are not fully expressed herein or attached hereto. Each party specifically warrants that this AVC is executed without reliance upon any statement or representation by any other party hereto, except as expressly stated herein.

M. If any clause, provision or section of this AVC shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other

clause, provision or section of this AVC and this AVC shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or other provision had not be contained herein.

N. Neither Petitioner nor Respondent shall be considered the drafter of this AVC or any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this AVC.

WHEREFORE, intending to be legally bound, the parties have hereto set their hands and seals.

SIGNATURES ON SEPARATE PAGE

For the Petitioner:

COMMONWEALTH OF PENNSYLVANIA

DAVID W. SUNDAY, JR.
Attorney General

Date: 6/23/2025

By: Debra Djupman Warring
Debra Djupman Warring
Senior Deputy Attorney General
PA Attorney I.D. 206437
1600 Arch Street, 3rd Floor
Philadelphia, PA 19103
Telephone: (215) 560-2930
Fax: (215) 560-2494
Email: dwarring@attorneygeneral.gov

For the Respondent:

TRUEACCORD CORP.

Date: _____

By: _____
Mark Ravanese
Chief Executive Officer
TrueAccord Corp.
16011 College Blvd., Suite 130
Lenexa, Kansas 66219

For the Petitioner:

COMMONWEALTH OF PENNSYLVANIA

DAVID W. SUNDAY, JR.
Attorney General

Date: _____

By: _____

Debra Djupman Warring
Senior Deputy Attorney General
PA Attorney I.D. 206437
1600 Arch Street, 3rd Floor
Philadelphia, PA 19103
Telephone: (215) 560-2930
Fax: (215) 560-2494
Email: dwarring@attorneygeneral.gov

For the Respondent:

TRUEACCORD CORP.

Date: June 18, 2025

By: _____


Mark Ravanese
Chief Executive Officer
TrueAccord Corp.
16011 College Blvd., Suite 130
Lenexa, Kansas 66219

CERTIFICATE OF SERVICE

I, Debra Djupman Warring, do hereby certify that a true and correct copy of the foregoing Assurance of Voluntary Compliance was served upon the following via first class mail, postage prepaid, and via e-mail on the date noted below:

TrueAccord Corporation
16011 College Blvd., Suite 130
Lenexa, Kansas 66219

Date: June 23, 2025

By: /s/ Debra Djupman Warring
Debra Djupman Warring