

FEDERAL ELECTION COMMISSION

In the matter of:

Sherry L. Huff
Carey Vaughn Brown
Account Pros, Inc.
Credit Protection Depot
Credit Payment Services
Energy Way Corp.
Republican Union PAC
James Harmon, personally and as
Treasurer, Republican Union PAC

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FEDERAL ELECTION COMMISSION

COMPLAINT

1. Citizens for Responsibility and Ethics in Washington ("CREW") and Melanie

Sloan bring this complaint before the Federal Election Commission ("FEC") seeking an immediate investigation and enforcement action against Sherry L. Huff, Carey Vaughn Brown, Account Pros, Inc., Credit Protection Depot, Credit Payment Services, Energy Way Corp., Republican Union PAC, and James Harmon, for direct and serious violations of the Federal Election Campaign Act ("FECA").

Complainants

2. Complainant CREW is a non-profit corporation, organized under section 501(c)(3) of the Internal Revenue Code. CREW is committed to protecting the right of citizens to be informed about the activities of government officials and to ensuring the integrity of government officials. CREW is dedicated to empowering citizens to have an influential voice in government decisions and in the governmental decision-making process. CREW uses a combination of research, litigation, and advocacy to advance its mission.

3. In furtherance of its mission, CREW seeks to expose unethical and illegal conduct of those involved in government. One way CREW does this is by educating citizens regarding

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the integrity of the electoral process and our system of government. Toward this end, CREW monitors the campaign finance activities of those who run for federal office and those who make expenditures to influence federal elections, and publicizes those who violate federal campaign finance laws through its website, press releases and other methods of distribution. CREW also files complaints with the FEC when it discovers violations of the FECA. Publicizing campaign finance violations and filing complaints with the FEC serves CREW's mission of keeping the public informed about individuals and entities that violate campaign finance laws and deterring future violations of campaign finance law.

4. In order to assess whether an individual or entity is complying with federal campaign finance law, CREW needs the information contained in independent expenditure disclosure reports political committees must file pursuant to the FECA, 2 U.S.C. §§ 434(a), (b); 11 C.F.R. §§ 104.1, 104.3. CREW is hindered in its programmatic activity when an individual or entity fails to disclose campaign finance information in reports required by the FECA.

5. CREW relies on the FEC's proper administration of the FECA's reporting requirements because the FECA-mandated disclosure reports are the only source of information CREW can use to determine if an individual or entity is complying with the FECA. The proper administration of the FECA's reporting requirements includes mandating that all disclosure reports required by the FECA are properly and timely filed with the FEC. CREW is hindered in its programmatic activity when the FEC fails to properly administer the FECA's reporting requirements.

6. Complainant Melanie Sloan is the executive director of Citizens for Responsibility and Ethics in Washington, a citizen of the United States, and a registered voter

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and resident of the District of Columbia. As a registered voter, Ms. Sloan is entitled to receive information contained in disclosure reports required by the FECA, 2 U.S.C. § 434; 11 C.F.R. §§ 104.1, 104.3. Ms. Sloan is harmed when an individual, candidate, political committee or other entity fails to report campaign finance activity as required by the FECA. *See FEC v. Akins*, 524 U.S. 11, 19 (1998), *quoting Buckley v. Valeo*, 424 U.S. 1, 66-67 (1976) (political committees must disclose contributors and disbursements to help voters understand who provides which candidates with financial support). Ms. Sloan is further harmed when the FEC fails to properly administer the FECA's reporting requirements, limiting its ability to review campaign finance information.

Respondents

7. Sherry L. Huff is or was an employee or officer of several companies, including Account Pros, Inc., Credit Protection Depot, Credit Payment Services, and Energy Way Corp.

8. Carey Vaughn Brown owns or controls several companies, including Account Pros, Inc., Credit Protection Depot, Credit Payment Services, and Energy Way Corp.

9. Republican Union PAC is a independent expenditure-only political committee registered with the FEC.

10. James Harmon is the treasurer of Republican Union PAC.

Factual allegations

11. On July 19, 2012, Sherry L. Huff contributed \$1 million to the Republican Union PAC. *See* Republican Union PAC, FEC Form 3X, October Quarterly Report, October 15, 2012. Ms. Huff has never made any other federal political contributions or, on information and belief, any state political contributions. Federal Election Commission, Individual Contribution Search

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for S. Huff, December 14, 2012; National Institute on Money in State Politics, Search for Sherry Huff, December 14, 2012.

12. On information and belief, Ms. Huff was not the true source of the money used to made the contribution. Ms. Huff does not appear to have the assets to make a \$1 million contribution. She is, however, an employee or officer of several companies owned or controlled by Carey Vaughn Brown. Mr. Brown controls an "Internet payday loan empire" that, according to his former employees, generates hundreds of millions of dollars a year in loan revenue. Ellis Smith, Local Companies Tied To Offshore Payday Lenders, *Chattanooga Times Free Press*, December 18, 2011 (attached as Exhibit A).

13. According to the report Republican Union PAC filed with the FEC disclosing Ms. Huff's contribution, Ms. Huff's address is 500 Thomas Drive, Rossville, GA. See Republican Union PAC, FEC Form 5, October Quarterly Report, October 15, 2012. Ms. Huff is registered to vote at that address. See State of Georgia, My Voter Page for Sherry Lynn Huff (attached as Exhibit B).

14. Ms. Huff owns the property located at 500 Thomas Drive. See Catoosa County Board of Assessors, Owner and Parcel Information page for 500 Thomas Drive (attached as Exhibit C). The value of the property for the 2012 tax year was \$50,398. *Id.*

15. Ms. Huff also is listed as the owner of the property located at Rossville, GA. See Catoosa County Board of Assessors, Owner and Parcel Information page for (attached as Exhibit D). The value of this property for the 2012 tax year was \$76,537. *Id.*

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16. The FEC report filed by the Republican Union PAC states the name of Ms. Huff's employer as "Account Pros Inc./CPD" and her occupation as "Business Woman." See Republican Union PAC, FEC Form 5, October Quarterly Report, October 15, 2012.

17. Account Pros, Inc. is registered in Nevada but appears to be located in Chattanooga, TN. See Nevada Secretary of State, Nevada Business Search, Account Pros, Inc. (attached as Exhibit E). Ms. Huff is the treasurer and secretary of Account Pros, Inc., and is a director. *Id.*

18. On information and belief, CPD is an abbreviation for Credit Protection Depot. Credit Protection Depot is registered in Nevada but has an office and employees in Chattanooga, TN. Nevada Secretary of State, Nevada Business Search, Credit Protection Depot, Inc. (attached as Exhibit F); *Electroweb Media, Inc. v. Mycashnow.com, Inc.*, No. 02-CV-133 (E.D. Tenn.), Deposition of Carey Brown, February 15, 2005 ("Brown Deposition"), at 24, 29, 32-33 (excerpts attached as Exhibit G). Ms. Huff's position with Credit Protection Depot is unclear, but in 2010 she responded to an inquiry from the Tennessee Consumer Affairs Division on behalf the company, asserting the company is "a legitimate business incorporated in Nevada" and "not a theft ring." Ellis Smith, What's a Payday Loan, *Chattanooga Times Free Press*, December 18, 2011 (attached as Exhibit H).

19. Account Pros, Inc. and Credit Protection Depot are two of more than 20 companies associated with Mr. Brown. Smith, Local Companies Tied To Offshore Payday Lenders, *Chattanooga Times Free Press*, Dec. 18, 2011. Many of these companies are shell corporations - some set up overseas - to protect them and Mr. Brown from lawsuits and to reduce taxes. *Id.* Several of these companies are or were subject to a Federal Trade Commission

investigation, and California, Oregon, and New Hampshire have issued cease-and-desist orders to several of the companies. *Id.*

20. One of the central entities in this web of companies is Credit Payment Services. According to a deposition Mr. Brown gave in 2005, Credit Payment Services is behind several offshore shell corporations set up to administer payday loans. Brown Deposition at 9-10, 22-24, 41-43.

21. Mr. Brown testified Ms. Huff was an employee of Credit Payment Services, describing her first as a bookkeeper, then as the company's chief financial officer. Brown Deposition at 37-38, 50. For example, Ms. Huff did the "initial work" on preparing the company's tax returns, but an accountant handled the rest of it before filing. *Id.* at 37.

22. Mr. Brown also testified Ms. Huff had the authority to sign checks for Credit Payment Services's bank accounts in Tennessee and Nevada. *Id.* at 50. Ms. Huff, Mr. Brown testified, "handles the money." *Id.* Other than Ms. Huff, only Mr. Brown and possibly one other employee have this authority. *Id.*

23. Ms. Huff also is or was the secretary and chief financial officer for the Energy Way Corp. See Georgia Secretary of State, Business Name History, Energy Way Corporation (attached as Exhibit I). Mr. Brown was described as the owner of Energy Way Corp. in a recent news report. Ellis Smith, Hilltop Denies Duplex, *Chattanooga Times Free Press*, November 13, 2012 (attached as Exhibit J).

24. While Ms. Huff has not made any other political contributions, Mr. Brown has. Recipients of Mr. Brown's contributions include the campaigns of Sen. Robert Corker (R-TN), Rep. Tom Graves (R-GA), former Rep. Zach Wamp (R-TN), House candidate Weston Wamp

INFORMATION

(R-TN), Senate candidate Tony Perkins (R-LA), gubernatorial candidate Roy Moore (R-AL), and gubernatorial candidate Van Hilleary (R-TN), as well as the Republican National Committee, the National Republican Senatorial Committee, the National Republican Congressional Committee, Mike Huckabee for President, the Fred Thompson Political Action Committee, and Bauer for President 2000 Inc. *See* Federal Election Commission, Individual Contribution Search for Carey Brown, December 14, 2012; National Institute on Money in State Politics, Search for Carey Brown, December 14, 2012.

25. Other than Ms. Huff's \$1 million contribution, the Republican Union PAC has only received one other contribution, for \$500 made by Gary Bohannon of Rancho Cucamonga, CA. *See* Republican Union PAC, FEC Form 3X, Post-General Election Report, December 6, 2012; Republican Union PAC, FEC Form 3X, October Quarterly Report, October 15, 2012. On information and belief, the \$1 million contribution appears to have been solicited by the Republican Union PAC. Twitter messages posted by the group on August 1, 2012 thank individuals or entities called "Tea Party 1" or "@NEWTPOUS" for "playing a part in our recent 1 MIL single contribution!" and thank both "the patriotic & generous donor who gave 1 MIL for our mission in 5 swing states" and unnamed "Tweeps for your part in this!" *See* Republican Union PAC, Twitter messages posted August 1, 2012 (attached as Exhibit K).

26. The Republican Union PAC used most of the contributed money to buy billboards in Florida, Michigan, Ohio, Pennsylvania, and Virginia attacking President Obama for supporting same-sex marriage and urging voters to vote Republican. Gregory Giroux, New Republican Super-PAC Aids Swing-State Political Organizing, *Bloomberg*, August 2, 2012 (attached as

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Exhibit L); Randy Lobasso, The GOP Fights a Losing Battle In PA, *Philadelphia Weekly*, September 19, 2012 (attached as Exhibit M).

Count I

27. The FECA and FEC regulations prohibit making a contribution in the name of another person and knowingly permitting one's name to be used to effect a contribution in the name of another person. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b).

28. On information and belief, Ms. Huff knowingly permitted her name to be used to make a contribution in the name of Mr. Brown, Account Pros, Inc., Credit Protection Depot, Credit Payment Services, Energy Way Corp., or another company in violation of 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b). If Ms. Huff knowingly and willfully violated the law, her conduct is subject to criminal penalties and should be referred to the Department of Justice for investigation. 2 U.S.C. §§ 437(g)(a)(5)(C), 437g(d)(1).

Count II

29. The FECA and FEC regulations prohibit making a contribution in the name of another person and knowingly permitting one's name to be used to effect a contribution in the name of another person. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b).

30. On information and belief, Mr. Brown, Account Pros, Inc., Credit Protection Depot, Credit Payment Services, Energy Way Corp., or another company Mr. Brown owns or controls made a contribution in Ms. Huff's name in violation of 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b). If, as it appears, this violation was knowing and willful, it is subject to criminal penalties and should be referred to the Department of Justice for investigation. 2 U.S.C. §§ 437(g)(a)(5)(C), 437g(d)(1).

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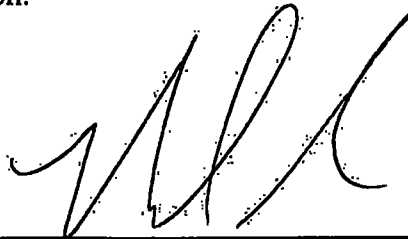
Count III

31. The FECA and FEC regulations also prohibit knowingly accepting a contribution made by one person in the name of another person. 2 U.S.C. § 441f; 11 C.F.R. § 110.4(b).

32. On information and belief, the Republican Union PAC and Mr. Harmon knowingly accepted a contribution made by Mr. Brown or one of the companies he owns or controls in Ms. Huff's name in violation of 2 U.S.C. § 441f and 11 C.F.R. § 110.4(b). If, as it appears, this violation was knowing and willful, it is subject to criminal penalties and should be referred to the Department of Justice. 2 U.S.C. §§ 437(g)(a)(5)(C), 437g(d)(1).

Conclusion

WHEREFORE, Citizens for Responsibility and Ethics in Washington and Melanie Sloan request that the FEC conduct an investigation into these allegations, declare the respondents to have violated the FECA and applicable FEC regulations, impose sanctions appropriate to these violations and take such further action as may be appropriate, including referring this case to the Department of Justice for criminal prosecution.



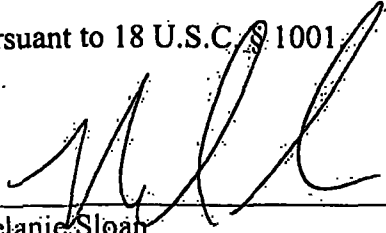
ON BEHALF OF COMPLAINANTS

Melanie Sloan
Executive Director
Citizens for Responsibility and Ethics in
Washington
1400 Eye St., N.W., Suite 450
Washington, D.C. 20005
(202) 408-5565 (phone)
(202) 588-5020 (fax)

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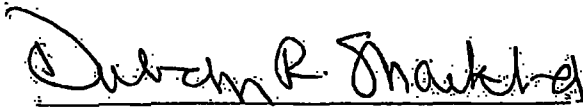
Verification

Citizens for Responsibility and Ethics in Washington and Melanie Sloan hereby verify that the statements made in the attached Complaint are, upon information and belief, true. Sworn pursuant to 18 U.S.C. § 1001.



Melanie Sloan 12/21/12

Sworn to and subscribed before me this 21st day of December, 2012.



Notary Public my commission expires 10/14/2013

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EXHIBIT A

Local companies tied to offshore payday lenders

By Ellis Smith

Sunday, December 18, 2011

From the outside, the shared headquarters of Terenine, Area 203 and ACH Federal looks like a typical Chattanooga office building.

But those businesses are actually a front for an unlicensed Internet payday loan empire that consumer advocates say may not comply with a newly passed Tennessee law.

The Chattanooga entrepreneur who controls the businesses, Carey V. Brown, calls his payday business a "shell corporation" set up overseas for "lawsuit protection and tax reduction."

Tennessee regulators say that the payday entities operated out of Chattanooga — PayDayMax.com, MyCashNow.com and DiscountAdvances.com — are not licensed to do business in the state, though a new Tennessee law says payday lenders aren't supposed to operate in the state without a license.

The unlicensed payday companies claim on their websites to charge fees of \$18.62 for a \$100, two-week loan, though the state only allows lenders to charge a maximum of \$15 on a \$100 loan, according to the Tennessee Department of Financial Institutions.

Former employees say the payday loans are made through an entity called Credit Payment Services, which operates as the mothership for more than 20 companies. Each company bills the others as customers for services that typically would be conducted in-house, former employees said.

"The only way we can look at that is to say they're operating illegally if they don't have their licensing and accreditation, and within time, somebody's gonna knock on their door and shut the place down," said Jim Winsett, president of the Chattanooga Better Business Bureau.

Regulators already are knocking.

The Federal Trade Commission this year launched an investigation into the group of companies to determine if there has been a violation of the Fair Debt Collection Practices Act and the Federal Trade Commission Act. California, Oregon and New Hampshire issued cease-and-desist orders to the Internet companies during the year to stop what they say were illegal loans made in their states. The privately held payday lenders don't reveal financial figures, but ex-employees say they generate hundreds of millions of dollars of loans per year.

The payday conglomerate essentially operates as one company, employing as many as 400 local employees and generating between \$1 million and \$2 million in daily loan

Brown Order Document

IN THE STATE OF TENNESSEE, COUNTY OF HAMILTON

BY THE STATE OF TENNESSEE, PLAINTIFF
vs.
CAREY V. BROWN, DEFENDANT

Case No. 11-0-00000

ORDER

The undersigned, Judge of the Court of Civil Rights, do hereby order that the defendant, Carey V. Brown, shall pay to the plaintiff, the State of Tennessee, the sum of \$100,000.00, plus interest, within 30 days of the date of this order.

IT IS SO ORDERED.

Judge of the Court of Civil Rights

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California Cease Document

STATE OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
1601 CALIFORNIA STREET, SACRAMENTO, CA 95833

TO: [Name of Company]

RE: [Name of Company]

ORDER

The undersigned, Director of the Department of Consumer Affairs, do hereby order that the defendant, [Name of Company], shall cease and desist from the practice of [Description of Illegal Practice] within 30 days of the date of this order.

IT IS SO ORDERED.

Director of the Department of Consumer Affairs

[view full details](#) [download pdf](#)

FTC Response Document

FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20548

Response to [Name of Company]

On [Date], the Commission received your response to the Commission's [Description of Investigation].

The Commission is satisfied that your response adequately addresses the concerns raised in the Commission's [Description of Investigation].

IT IS SO ORDERED.

Director of the Federal Trade Commission

Credit Payment Services, which Brown controls through a series of contracts set up a decade ago, he said.

Though it seems complicated, it's not unusual for companies to go offshore to avoid regulations, said Allan Jones, owner of one of the nation's biggest payday lenders, Cleveland, Tenn.-based Check Into Cash.

"If an online operator is unlicensed, then he or she may not be following applicable regulatory laws," explained Jones, whose company is licensed to operate both Internet and retail store locations making payday loans. "Those who operate offshore are able to avoid regulations."

'AFFILIATE COMPANIES'

Though MyCashNow.com and related companies owned by Brown appear to be based offshore, Chattanooga is the actual physical location that houses most of the payday businesses' workers, split among two buildings on Amnicola Highway and one on Brainerd Road, former employees said.

"We did a lot of stuff with payday loans," said former Area 203 intern Brittany Jackson. "That's the main thing I worked with, and the largest business unit while I was there."

Aaron Shelley, former director of engagement services for Terenine, said employees were encouraged to use the term "affiliate companies" to describe the various entities owned or controlled by Brown.

The businesses invoice each other for services, just like any company does with its customers, even though they're owned or controlled by the same man, Shelley said.

"All of the customers were referred to as affiliate companies because it was common ownership," Shelley said.

Brown said in his 2005 deposition that he owned more than 20 such businesses, which he personally operates through contracts rather than a traditional ownership structure.

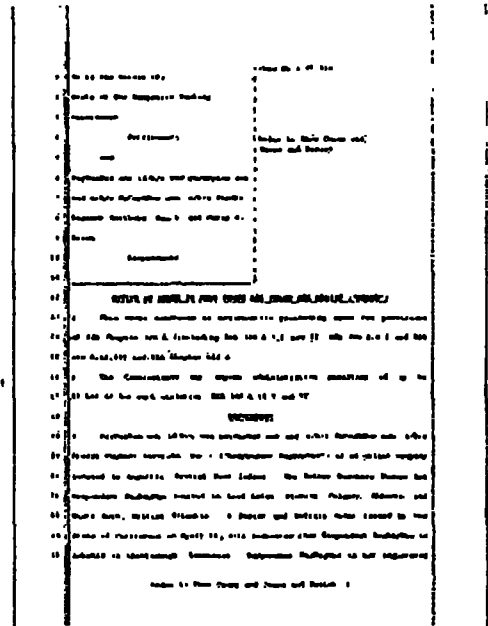
For instance, DiscountAdvances.com owns "absolutely nothing," Brown said, nor is it really owned by anyone.

"It's a shell," Brown said in the deposition. "They're in some third-world tax-free country, I don't know which one."

In fact, the site itself says it's located in Canada, though its only physical presence in Canada is a drawer filled with legal documents, according to Brown's deposition.

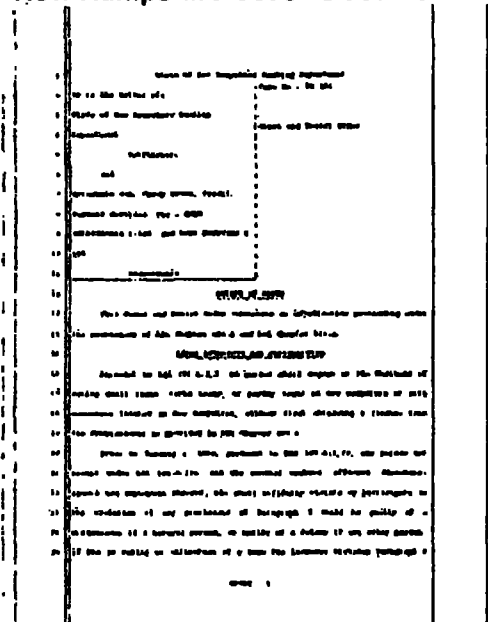
Even the payday mothership, Credit Payment Services, is yet another "shell" corporation based in Nevada, created in 2001 along with MyCashNow.com, Brown said.

Most of the work happens inside Brown's buildings on



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New Hampshire Cease Document



[view full details](#) [download pdf](#)

Oregon Case Document



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Amnicola Highway and Brainerd Road, where employees ostensibly hired to do marketing, Web hosting and advertising for Area 203, Terenine and ACH Federal find themselves working for Brown's CPS, former employees said.

CHARITABLE CAUSES

The strategy is a means to an end: Payday revenues are used to support missionaries in their efforts to "save souls" overseas, said Christiansen, the former Terenine engineer who helped set up many of the company's operations.

Christiansen was lured to Terenine from a medical career at CeloNova Biosciences in 2008, at a time when he found himself wondering whether it was better to "save lives or save souls," he said.

"[Brown] personally has debated the pros and cons of what he does, versus of what he's able to do with the money," Christiansen said.

Bulletin boards at the Amnicola Highway building that houses Terenine, ACH Federal and Area 203 are covered with pictures of smiling children whom Brown has helped, and overflowing with postcards from overseas missionaries whom he supports with revenues from his payday sites, former employees said.

In fact, the overall company's mission statement is "to maximize the growth of the Kingdom by helping the least of these, through strategic giving from profitable business," according to an email received from Brown during a prior investigation.

The goal is a reference to strengthening the biblical kingdom of God, said Terenine chief technology officer David Glenn in a mid-2011 interview.

At that time, the company counted Focus on the Family, Precept Ministries and the Dawson McAllister Association among its clients, a gold-plated evangelical client list that Glenn said helped attract like-minded employees to the company.

"We do give a good percentage of revenues from the company to charity," Glenn said.

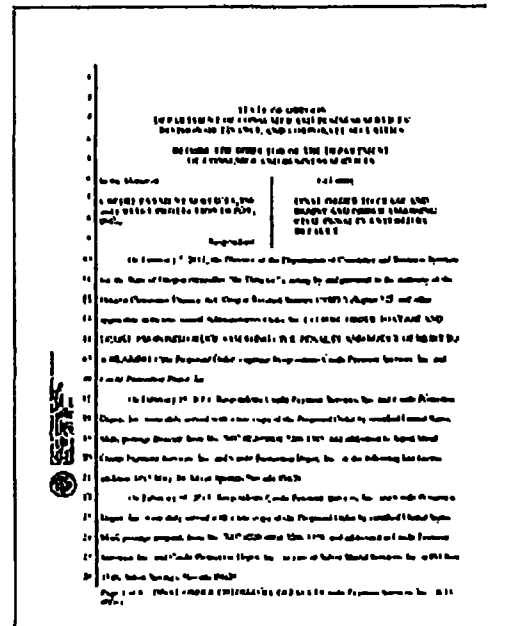
OVERSEAS MISSIONS

Brown's overseas efforts aren't limited to supporting missionaries, however.

Engineers route the majority of his payday loan Web traffic through a company in Bermuda called Woody Holdings, masking the location of the payday operations on Amnicola Highway in Chattanooga, said Byron DeLoach, former director of engineering at Terenine.

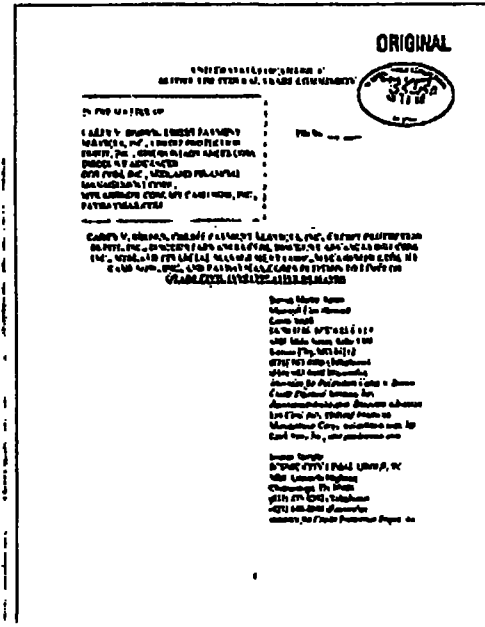
"They do go through Bermuda, but the servers are physically located in Chattanooga," DeLoach said.

Sometimes, however, the company simply cuts out the middleman, Christiansen said.



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Petition to Quash Document



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"Whenever a big storm came through Bermuda, they'd show the weather map to the lawyers, and they'd give the OK to route the traffic directly to Chattanooga," Christiansen said. "When you're pushing \$2 million a day, it's really just about not interrupting the volume."

Former employees say Brown creates individual companies where a typical business would simply employ a human resources or accounting department, for example.

According to the former employees:

- Terenine has a state-of-the-art data center on Riverside Drive that exists to keep the money flowing.
- Area 203 specializes in lead generation, search engine optimization and analytics for the payday sites.
- ACH Federal, which is located in the same building as Area 203 and Terenine, handles the debit transactions that both deposit and withdraw cash directly from consumers' bank accounts.
- Scenic City Legal, three miles away on Amnicola Highway, handles the company's legal work, including the lawsuits from governments and dissatisfied consumers.
- API Recruiting and Account Pros handle human resources and accounting tasks, respectively.
- Support Seven, located on Brainerd Road with another office in Costa Rica, is a call center for loan seekers as well as loan collection.

The arrangement arose in 2008 and 2009 when lawyers created Terenine, ACH Federal, Area 203 and the others from existing departments at CPS, creating "affiliate companies," Terenine President David Carney said in a 2011 interview with the Times Free Press.

"We really started as a department within a family of businesses a couple of years ago," Carney said. "Prior to 2010, [Terenine] was more of an IT department that was focused on providing services to affiliated businesses."

BEYOND PAYDAY LENDING

The push for business beyond Brown's Internet payday loans hasn't fared well, according to employees who quit or were fired.

His companies started quickly out of the gate in 2010 with a marketing and PR blitz, even allowing photographers into the server room.

The two most visible of Brown's companies, Terenine and Area 203, joined local business groups such as the Chattanooga Technology Council and participated in events like the Devlink technology conference. Area 203 sponsored the 48-hour launch, an event to spur startup businesses in Chattanooga, and did marketing work for clients like the Crash Pad, the Chattanooga Area Chamber of Commerce and LifeKraze.

But even with the Chamber and other clients, Brown's companies weren't pulling in enough outside business. Area 203 made up the difference on its online client list by posting the names of other Brown affiliate companies such as Terenine, ACH Federal and API Recruiting.

API Recruiting, in turn, lists ACH Federal, Area 203, Firma 8, Kingdom Site, Support Seven and Terenine as its clients.

Though Brown spent millions of dollars and hired hundreds of workers, former employees say that about 90 percent of his revenue still comes from payday loans, and that a high rate of turnover has led to a loss of clients.

"They only had two or three outside clients when I left," said Christiansen, who resigned from Terenine in May.

DeLoach said that during his tenure, the company tried to "do the payday stuff and they were doing external clients as well," but Brown was dropping nonpayday clients "pretty fast."

"I think they had one when I left," said DeLoach, who left in September.

The problem was that feeding the beast — the payday loan business — remained the active priority, even trumping outside clients, they said.

"The original goal wasn't to sell to external companies, it was to work for CPS — even though nobody wanted to talk about what that was," said Shelley, the former director of engagement services for Terenine.

Despite the limited number of nonpayday clients that Brown's companies service, a few of his businesses are ringing up staggering revenue growth.

Area 203 had sales of "nearly \$46 million in 2010," the company reported in a news release issued in January, after it ran a social media campaign to encourage tourism in Guatemala and opened a since-closed office there.

J.Ed. Marston, director of marketing and communications for the Chattanooga Area Chamber of Commerce, said at the time the Chamber hired Area 203 he had no indication that a payday business was behind the marketing group.

"I don't have any direct knowledge of any of those things," he said.

BROWN'S SIDE

During the 2005 civil suit, Brown argued that by installing a computer overseas, he wasn't technically operating in the United States and subject to lending rules, since the payday lending decisions were being made by a computer on a Caribbean island tax haven instead of by a human being.

"And frankly, the servers make a lot of the decisions," he said.

Brown said because the company wasn't seeking out customers, but instead allowing customers to come to his payday websites, he is further insulated from the legal hurdles that licensed operators like Check Into Cash face.

"If the customers are seeking us out trying to do business with us, that's our right," Brown said. "But if we're — we can't specifically target a specific state that has lower allowable fees than what we charge."

Some of his websites claim not to lend to consumers in Tennessee, Georgia and a handful of other states, though customer complaints received by the Tennessee Division of Consumer Affairs show that some of Brown's loans still get through.

Tennessee state Rep. Charles Sargent, R-Franklin, who is chairman of the House Finance, Ways and Means Committee and sponsored a law in 2011 to tighten rules on payday lenders, said that Brown's methods could be illegal.

"If they're not registered, it would be illegal, so you could shut them down," Sargent said. "They'd be doing it illegally."

He acknowledged that setting up shell companies overseas can make investigations more difficult, even if the companies are physically located in the state.

"The problem with a company that looks like it's overseas is we would have to have some way of tracking them down so we can tell who's good and who's bad," Sargent said.

DATA TRAILS

Though Brown's payday sites are legally located in foreign countries, not much happens

overseas, he said in his 2005 deposition.

"Literally all that happens in Bermuda is that data is transferred through IP traffic," said Shelley. "There must be a lot of companies that do it, because there is nothing else attractive about Bermuda to make it a data center. It's an island that gets destroyed by storms over and over again."

The overseas entities, insofar as they exist, are contractually run through CPS, which handles tasks that include "marketing, handling phone calls, taking applications, approving and denying loans, fraud verification, accounts receivable," Brown said in 2005.

CPS is registered in Nevada, according to the Nevada secretary of state.

Brown incorporated CPS through a company called Silver Shield Services, which claims on its website to offer "protection from lawsuits, government creditors and state taxes through Nevada's incorporation-friendly laws."

Also registered through Silver Shield are: Area 203, Credit Protection Depot, ACH Federal, Collateralized Investment Services Limited Partnership, 3806 Amnicola LLC, Terenine and Support Seven.

For \$600, Silver Shield Services sets up "everything that you need to prove that you are in fact operating in the state of Nevada," according to its website.

Former federal prosecutor Gary Humble said that "there are unresolved questions" about why a company would go through the effort to set up such an elaborate series of international entities.

"If I were doing the investigation, I'd want to know why, what legitimate reasons are there for conducting those transactions overseas," said Humble, who was not speaking specifically about Brown's companies.

However, stashing a router on an island doesn't necessarily get around U.S. laws, according to Uriah King, vice president of state policy for the Center for Responsible Lending, a consumer advocacy group.

"Many lenders argue that because it's over the Internet, the law doesn't apply, but the Internet doesn't bequeath magical status on the loan," King said.

Ira Rheingold, executive director for the National Association of Consumer Advocates, said most Bermuda Internet businesses are set up to dodge taxes or U.S. laws.

"It's all about avoiding liability and avoiding U.S. law or state law, as the case may be," Rheingold said.

And Brown is "very good at finding tax holes," Shelley said.

THE LAW

The Federal Trade Commission this year initiated an investigation into Brown's companies "to determine whether certain unnamed creditors may be engaged in violation of the Truth in Lending Act ... and whether they may be engaged in unfair or deceptive acts and practices."

But an FTC spokesman said no public charges have been filed against Brown or any of his companies, and regulators wouldn't comment on the status of any investigation.

The state of Tennessee won't say whether it is investigating Brown.

"At this time, we can say that we are investigating some possible unlicensed activity in this state," said Neil MacDonald, spokesman for the Tennessee Department of Financial Institutions.

That department regulates 10,262 financial entities. Only in May was the agency handed the responsibility of regulating and licensing Internet payday lenders, MacDonald said.

"Since that time, we have started a process of determining what entities might be engaging in Internet payday lending without being licensed," he said. "We cannot comment on specific investigations."

WHO IS CAREY BROWN?

Brown is no stranger to investigations.

His move to portray his business as an overseas interest was itself a response to an ongoing class-action lawsuit against five cash advance stores that he owned in 2001, he said in the deposition.

"I already have a class-action suit going against my brick-and-mortar stores," Brown said at the time. "It was just a matter of time before they come after the Internet business, too."

Former employees describe Brown, who shuns publicity, as a kindhearted and generous man, who was a leading citizen in Rossville.

There he ran Happy Motors, a buy-here, pay-here dealership famous for a 15-foot-high, bright yellow chicken that he then called "the second most famous chicken in Georgia" after the Big Chicken in Marietta, Ga.

As a sign of his status in the community, he was selected for a development study in 2005 to revitalize the downtown area, including the old Peerless Woolen Mill.

Brown's chicken was used for directions to get people around Rossville, he said, "and it took 20 people to get it on top of the building and get it in place."

Though that was years ago, his employees still call his payday business "the chicken" in honor of the long-gone mascot, Shelley said, if only because they don't know what else to call CPS.

Brown's goal, however, isn't earthly riches and glory.

"He'd walk away from the business tomorrow if he could find a better way of saving souls," Christiansen said.

The hardship of running such a complicated business and the expense of dodging regulators is worth it if it supports Brown's work building the kingdom, Christiansen said.

"What's a soul worth?" Christiansen asked. "Do the ends justify the means?"

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EXHIBIT B

Welcome To MVP My Voter Page

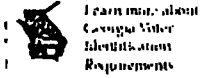
<p>Voter Information</p> <p>SHERRY LYNN HUFF 500 THOMAS DR ROSSVILLE, GA 30741 Race: W Gender: F Status: ACTIVE Registration Date: 10/04/2004</p> <p>Click here to change your address</p>	<p>Your Polling Place for State & County Elections</p> <p>Precinct LAKE VOTING BUILDING 452 HUDSON ST ROSSVILLE, GA 30741</p> <p>Click here for map & directions to polling place NOTE: Non-specific rural addresses may not be available (Maps courtesy of MapQuest. The Secretary of State's Office is not responsible for inaccurate mapping and directions. Please contact MapQuest regarding erroneous information.) Election Day precinct hours are 7:00 am - 7:00 pm</p> <p>Click here for municipal polling place</p>
<p>Absentee Ballot Request Information</p> <p>If you prefer to vote off-site, mail or fax your absentee ballot application to your county registrar.</p> <p>Click Here for an Absentee Ballot Application</p> <p>Click here for early voting locations and times</p>	
<p>Ballot Information is currently unavailable</p>	
<p>Your Qualified Candidates</p>	
<p>Officials Elected Statewide</p>	<p>U.S. Congress: District District 014 Congressional District Maps</p> <p>Georgia Senate: District 53 Georgia House: District 003</p>
<p>Please Note: Polling places are subject to change. Always check your designated polling place location via this website prior to going to vote.</p> <p>Newly Registered Voters: Please review your registration date which is located under your name and address above. You must be registered on or before the established deadlines to vote in upcoming elections. Please view the current election calendar to confirm the first election in which you will be eligible to vote.</p>	

If you have additional questions about your registration, contact [your county voter registration office](#).

If you have additional questions about elections in general, contact [your county election office](#).

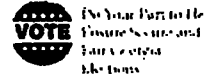
Note: My Voter Page provides a web-based search of data extracted from Georgia's statewide voter registration database. It is NOT the official record of your registration, which is retained by the voter registration office in the county of your residence.

Georgia Voter ID



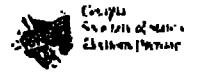
Learn more about Georgia Voter Identification Requirements

Stop Voter Fraud



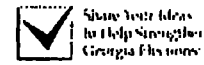
Be Your Part to Help Ensure Secure and Fair Voting Elections

Elections Division



Georgia Secretary of State's Election Division

Elections Advisory Council



Show Your Ideas to Help Strengthen Georgia Elections

Georgia VoteSafe



Learn more about the Georgia VoteSafe Program

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EXHIBIT C



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Owner and Parcel Information			
Owner Name	HUFF SHERRY	Today's Date	November 20, 2012
Mailing Address	500 THOMAS DRIVE ROSSVILLE, GA 30741	Parcel Number	0002G044
Location Address	500 THOMAS DRIVE	Tax District	Ft Oglethorpe (District 03)
Legal Description	LT 41 PT 40 AVALON PINE	2012 Millage Rate	29.061
Property Class (NOTE: Not Zoning Info)	R3-Residential	Acres	0.24
Zoning	For	Neighborhood	FORT OGLETHORPE
		Homestead Exemption	No (S0)
		Parcel Map	Show Parcel Map

2012 Tax Year Value Information				
Land Value	Improvement Value	Accessory Value	Total Value	Previous Value
\$ 10,927	\$ 39,471	\$ 0	\$ 50,398	\$ 50,634

Land Information						
Type	Description	Calculation Method	Frontage	Depth	Acres	Photo
RES	FF-RES: 135.00 (116)	Front Feet	71	150	0.24	NA

Improvement Information							
Style	Heated Sq.Ft.	Interior Walls	Exterior Walls	Attic Area Sq.Ft.	Basement Area Sq.Ft.	Year Built	Photo
One-Family	1,032	SHEETROCK	VINYL SIDING	0	0	1959	NA
Roof Type	Flooring Type	Heating Type	Rooms Bedrooms/Bathrooms	Value	Cond.	Number Fire Pl	Sketch
ASPHALT SHINGLE	OAK	CENTHEAT&AIR COND	0/0/1.5	\$ 39,471	Average	0	Sketch Building

Accessory Information			
Description	Year Built	Dimensions/Units	Value
No accessory information associated with this parcel.			

Sale Information							
Sale Date	Deed Book	Plat Page	Price	Reason	Grantor	Grantee	
06-04-2010	1532 618	3 49	\$ 0	Unqualified - Improved	HUFF SHERRY AND DEWAYNE	HUFF SHERRY	
09-26-2003	1034 660	3 49	\$ 75,000	Unqualified - Improved		HUFF, SHERRY &	

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EXHIBIT D



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 [Field Definitions](#)
 [Return to Main Search Page](#)
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Owner and Parcel Information

Owner Name	HUFF SHERRY	Today's Date	November 20, 2012
Mailing Address	500 THOMAS DRIVE	Parcel Number	00011017
Location Address	ROSSVILLE, GA 30741	Tax District	County (District 01)
Legal Description	269 STEELE ROAD	2012 Millage Rate	22.345
Property Class(NOTE: Not Zoning Info)	LT 24 BROOKVALE EST	Acres	0.37
Zoning	R3-Residential R-1	Neighborhood	BROOKVALE ESTATES
		Homestead Exemption	No (50)
		Parcel Map	Show Parcel Map

2012 Tax Year Value Information

Land Value	Improvement Value	Accessory Value	Total Value	Previous Value
\$ 17,197	\$ 59,340	\$ 0	\$ 76,537	\$ 76,254

Land Information

Type	Description	Calculation Method	Frontage	Depth	Acres	Photo
RES	FF-RES: 175.00 (24)	Front Feet	80	200	0.37	NA

Improvement Information

Style	Heated Sq Ft	Interior Walls	Exterior Walls	Attic Area Sq Ft	Basement Area Sq Ft	Year Built	Photo
One Family	1,871	SHEETROCK	MASONRY AND WOOD	0	694 sqft Finished	1965	Building Image 6
Roof Type	Flooring Type	Heating Type	Rooms Bedrooms/Bathrooms	Value	Cond	Number Fire Pl	Sketch
ASPHALT SHINGLE	OAK	WALL HEAT,ELECT	0/0/1.5	\$ 59,340	Average	0	Sketch Building 1

Accessory Information

Description	Year Built	Dimensions/Units	Value
No accessory information associated with this parcel.			

Sale Information

Sale Date	Deed Book	Plat Page	Price	Reason	Grantor	Grantee
06-15-2012	1624 738	7 54	\$ 40,000	Fair Market - Improved - Govt Owned F/C Sale	FEDERAL NATIONAL MORTGAGE ASSO	HUFF SHERRY
04-03-2012	1624 735	7 54	\$ 0	Foreclosure Transfer	JPMORGAN CHASE BANK NATIONAL A	FEDERAL NATIONAL MORTGAGE ASSOCIATION
04-03-2012	1624 731	7 54	\$ 0	Foreclosure Transfer	UPTON GEORGE M AND	JPMORGAN CHASE BANK NATIONAL ASSOCIATION
00-00-0000	240 8	7 54	\$ 28,900	Fair Market - Improved	UPTON, GEORGE M JR &	UPTON, GEORGE M AND

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The Assessor's Office makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation. The assessment information is from the last certified taxroll. All data is subject to change before the next certified taxroll. Website Updated: November 15, 2012

14-00000N1412071

EXHIBIT E

ACCOUNT PROS, INC.

Business Entity Information

Status:	Active	File Date:	8/29/2005
Type:	Domestic Corporation	Entity Number:	E0572642005-6
Qualifying State:	NV	List of Officers Due:	8/31/2013
Managed By:		Expiration Date:	
NV Business ID:	NV20051579411	Business License Exp:	8/31/2013

Registered Agent Information

Name:	SILVER SHIELD SERVICES, INC.	Address 1:	3315 HWY 50
Address 2:		City:	SILVER SPRINGS
State:	NV	Zip Code:	89429
Phone:		Fax:	
Mailing Address 1:	P O BOX 3540	Mailing Address 2:	
Mailing City:	SILVER SPRINGS	Mailing State:	NV
Mailing Zip Code:	89429		
Agent Type:	Commercial Registered Agent - Corporation		
Jurisdiction:	NEVADA	Status:	Active

Financial Information

No Par Share Count:	1,500.00	Capital Amount:	\$ 0
No stock records found for this company			

Officers

Include Inactive Officers

Treasurer - SHERRY HUFF			
Address 1:	2840 HWY 95 ALT. S#7	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Historical	Email:	
Director - SHERRY HUFF			
Address 1:	2840 HWY 95 ALT. S #7	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	

Status:	Historical	Email:	
Secretary - SHERRY HUFF			
Address 1:	2840 HWY 95 ALT. S #7	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Historical	Email:	
Treasurer - SHERRY HUFF			
Address 1:	2840 HWY 95 ALT. S#7	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Active	Email:	
Director - SHERRY HUFF			
Address 1:	2840 HWY 95 ALT. S #7	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Active	Email:	
Secretary - SHERRY HUFF			
Address 1:	2840 HWY 95 ALT. S #7	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Active	Email:	
President - FRANK PAZERA			
Address 1:	2840 HWY 95 ALT. S. #7	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Historical	Email:	
President - FRANK PAZERA			
Address 1:	2840 HWY 95 ALT. S. #7	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Active	Email:	

Actions\Amendments

Action Type:	Articles of Incorporation		
Document Number:	20050356167-55	# of Pages:	1
File Date:	8/29/2005	Effective Date:	
Initial Stock Value: No Par Value Shares: 1,500			
----- Total Authorized Capital: \$ 0.00			

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Action Type:	Initial List		
Document Number:	20050611526-28	# of Pages:	1
File Date:	12/12/2005	Effective Date:	
ILO			
Action Type:	Annual List		
Document Number:	20060553217-61	# of Pages:	1
File Date:	8/28/2006	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20070463416-83	# of Pages:	1
File Date:	7/5/2007	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20080528081-34	# of Pages:	1
File Date:	8/7/2008	Effective Date:	
(No notes for this action)			
Action Type:	Amended List		
Document Number:	20080727236-27	# of Pages:	1
File Date:	11/5/2008	Effective Date:	
(No notes for this action)			
Action Type:	Registered Agent Change		
Document Number:	00002073756-80	# of Pages:	1
File Date:	11/5/2008	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20090613271-61	# of Pages:	1
File Date:	8/12/2009	Effective Date:	
(No notes for this action)			
Action Type:	Amended List		
Document Number:	20100036832-45	# of Pages:	1
File Date:	1/25/2010	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20100624401-00	# of Pages:	1
File Date:	8/20/2010	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20110703748-83	# of Pages:	1

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File Date:	9/29/2011	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20120623068-70	# of Pages:	1
File Date:	9/11/2012	Effective Date:	
(No notes for this action)			

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EXHIBIT F

CREDIT PROTECTION DEPOT, INC.

Business Entity Information

Status:	Active	File Date:	1/12/2005
Type:	Domestic Corporation	Entity Number:	C666-2005
Qualifying State:	NV	List of Officers Due:	1/31/2013
Managed By:		Expiration Date:	
NV Business ID:	NV20051079416	Business License Exp:	1/31/2013

Registered Agent Information

Name:	SILVER SHIELD SERVICES, INC.	Address 1:	3315 HWY 50
Address 2:		City:	SILVER SPRINGS
State:	NV	Zip Code:	89429
Phone:		Fax:	
Mailing Address 1:	P O BOX 3540	Mailing Address 2:	
Mailing City:	SILVER SPRINGS	Mailing State:	NV
Mailing Zip Code:	89429		
Agent Type:	Commercial Registered Agent - Corporation		
Jurisdiction:	NEVADA	Status:	Active

Financial Information

No Par Share Count:	75,000.00	Capital Amount:	\$ 0
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No stock records found for this company

Officers

Include Inactive Officers

Director - AARON S SHOAF			
Address 1:	PO BOX 3540	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Historical	Email:	
President - AARON S SHOAF			
Address 1:	PO BOX 3540	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	

Status:	Historical	Email:	
Secretary - AARON S SHOAF			
Address 1:	PO BOX 3540	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Historical	Email:	
Treasurer - AARON S SHOAF			
Address 1:	PO BOX 3540	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Historical	Email:	
Director - AARON S SHOAF			
Address 1:	PO BOX 3540	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Active	Email:	
President - AARON S SHOAF			
Address 1:	PO BOX 3540	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Active	Email:	
Secretary - AARON S SHOAF			
Address 1:	PO BOX 3540	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Active	Email:	
Treasurer - AARON S SHOAF			
Address 1:	PO BOX 3540	Address 2:	
City:	SILVER SPRINGS	State:	NV
Zip Code:	89429	Country:	
Status:	Active	Email:	

Actions\Amendments

Action Type:	Articles of Incorporation		
Document Number:	C666-2005-001	# of Pages:	1
File Date:	1/12/2005	Effective Date:	
(No notes for this action)			
Action Type:	Initial List		

Document Number:	C666-2005-002	# of Pages:	1
File Date:	1/12/2005	Effective Date:	
List of Officers for 2005 to 2006			
Action Type:	Annual List		
Document Number:	20060039269-87	# of Pages:	1
File Date:	1/24/2006	Effective Date:	
(No notes for this action)			
Action Type:	Registered Agent Change		
Document Number:	20070363743-25	# of Pages:	1
File Date:	5/23/2007	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20070363744-36	# of Pages:	1
File Date:	5/23/2007	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20080010905-35	# of Pages:	1
File Date:	1/8/2008	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20090002459-71	# of Pages:	1
File Date:	1/5/2009	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20100034924-15	# of Pages:	1
File Date:	1/22/2010	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20110051369-68	# of Pages:	1
File Date:	1/24/2011	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20120054551-65	# of Pages:	1
File Date:	1/26/2012	Effective Date:	
(No notes for this action)			

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EXHIBIT G

IN THE UNITED STATES DISTRICT COURT
OF THE EASTERN DISTRICT OF TENNESSEE
AT CHATTANOOGA

ELECTROWEB MEDIA, INC., a Georgia
Corporation, and JASON GILSTRAP,

Plaintiffs/Counterdefendants,

v.

MYCASHNOW.COM, INC., a Grenada
Corporation; CAREY BROWN,
Personally and Individually;
CREDIT PAYMENT SERVICES, INC., a
Nevada Corporation; NOGUSKA, a
Corporation; and UNKNOWN
CORPORATION A, an Unknown
Corporation, Jointly and
Severally,

Defendants/Counterplaintiffs.

NO. 1:02-CV-133
JUDGE COLLIER
JURY DEMAND

ORIGINAL

THE DEPOSITION OF

CAREY BROWN

FEBRUARY 15, 2005

DEBBIE L. HUNTOON
ACE REPORTING, LLC
4931 COURT DRIVE
CHATTANOOGA, TENNESSEE 37412
(423) 629-6763

ACE REPORTING, LLC (423) 629-6763

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APPEARANCES:

FOR THE PLAINTIFFS:

STEPHEN S. DUGGINS, ESQUIRE
HUSCH & EPPENBERGER
SUITE 300, DOME BUILDING
835 GEORGIA AVENUE
CHATTANOOGA, TENNESSEE 37402

FOR THE DEFENDANTS:

CRAIG R. ALLEN, ESQUIRE
LEITNER, WILLIAMS, DOOLEY & NAPOLITAN
SUITE 300, PIONEER BANK BUILDING
801 BROAD STREET
CHATTANOOGA, TENNESSEE 37402

I N D E X

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The Deposition of CAREY BROWN	
Direct Examination by Mr. Duggins.....	4

E X H I B I T S

<u>Number</u>	<u>Description</u>	<u>Page</u>
1	Licensing Agreement.....	15

UNIONWV244407

1 once, and I got so confused with his explanation
2 that I really don't know.

3 Q For whose benefit was My Cash Now set up?

4 A I was following his advice. I was paying
5 him, so I assume it was for my benefit. It might
6 have been for his benefit, too.

7 Q Was it for anyone else's benefit that you
8 know of?

9 A Not that I know of.

10 Q So if there were owners of the company
11 other than you, it was just because of some shell
12 structure that the attorney set up?

13 A I think so, yes.

14 Q What was My Cash Now's involvement with
15 Credit Payment Services, Inc.?

16 A They had a contract with Credit Payment
17 Services to handle the payday loans in the United
18 States or with anybody on the U.S. banking system.

19 Q When you say "they had a contract,"
20 you're talking about My Cash Now having a contract
21 with Credit Payment Services?

22 A Yes.

23 Q How did that contract work? In other
24 words, who did what in accordance with that
25 contract?

ACE REPORTING, LLC (423) 629-6763

1 A Well, Credit Payment Services did
2 everything.

3 Q And what would that involve?

4 A Marketing, all the processes involved
5 with approving or denying a loan, bookkeeping.

6 Q Did My Cash Now have any employees?

7 A No.

8 Q Did My Cash Now have any officers?

9 A I don't know.

10 Q Did My Cash Now have any shareholders?

11 A I think it's a corporation, so I would
12 assume that it does, but I don't know who they are.

13 Q Did My Cash Now make any payments to
14 Credit Payment Services for services?

15 A No.

16 Q Did Credit Payment Services make any
17 payments to My Cash Now for services?

18 A No.

19 Q What did My Cash Now do in connection
20 with Credit Payment Services?

21 A It's just a shell corporation.

22 Q As a shell corporation, did it conduct
23 any business?

24 A No.

25 Q I asked you earlier if it had any

1701444407

1 A I did.

2 Q Was that on a My Cash Now check or some
3 other check or through some other mechanism?

4 A My Cash Now never had a bank account. So
5 I would have sent him a check from somewhere.

6 Q Would that have been your checking
7 account?

8 A I don't remember.

9 Q Do I correctly understand you to be
10 saying that My Cash Now has never had a bank account
11 in the history of its existence?

12 A That's right.

13 Q Has it ever had any asset at all in the
14 history of its existence?

15 A No.

16 Q I think we got sidetracked from my
17 question I started to ask earlier about the terms of
18 the contract between My Cash Now and Credit Payment
19 Services.

20 Please give me more explanation of what
21 that contractual arrangement was.

22 A I don't know. Scott Wilson would have
23 done that.

24 Q Did a written contract between the two
25 entities get prepared?

ACE REPORTING, LLC (423) 629-6763

1 A I think so.

2 Q Have you ever seen a written contract
3 between the two entities?

4 A I think so.

5 Q Have you ever signed one?

6 A I don't know.

7 Q Approximately when was it that you think
8 you saw a written contract between the two entities?

9 A 2001.

10 Q Would that have been around the time that
11 you were setting My Cash Now up?

12 A Yes.

13 Q What were the -- what was the basic gist
14 of the contract that you saw?

15 A Oh, I don't remember.

16 Q What services was My Cash Now to provide
17 to Credit Payment Services?

18 A I don't follow you.

19 Q In a contract, you typically have a party
20 agreeing to provide either services or product or
21 compensation to the other party who also will
22 provide product or services or compensation.

23 Was My Cash Now providing either
24 compensation or product or services to Credit
25 Payment Services pursuant to that contract?

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1 A Well, Credit Payment Services would get
2 to use their name, the My Cash Now name.

3 Q Okay. Anything else?

4 A Not that I can think of.

5 Q Now, what about My Credit Payment
6 Services (sic)? Was it providing any compensation
7 or products or services to My Cash Now?

8 A It's processing the loans.

9 Q Is it processing the loans for
10 My Cash Now or for My Credit Payment Services?

11 A Well, who knows? I don't know.

12 Q Who would know?

13 A Scott Wilson.

14 Q Is there anyone else who would know?

15 A No.

16 Q Which entity actually operates your
17 internet cash advance business? Is it My Cash Now
18 or is it Credit Payment Services or is it something
19 else?

20 A Credit Payment Services.

21 Q Does Credit Payment Services have
22 employees?

23 A Yes.

24 Q Where are those employees located?

25 A Nevada and Chattanooga.

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1 Q Do you have any involvement in any other
2 company that has any connection with Grenada?

3 A No.

4 Q Now, you referred to Credit Payment
5 Services as having a location out west. Was it
6 Nevada or Utah?

7 A Nevada.

8 Q Okay. And then a location here in
9 Chattanooga. Is that on Rossville Boulevard?

10 A Yes.

11 Q What is that address?

12 A 4700 Rossville Boulevard.

13 Q Is that facility there actually owned by
14 Credit Payment Services?

15 A No, it's rented.

16 Q It's rented by Credit Payment Services?

17 A Right.

18 Q Rented from whom?

19 A GCN, LP, I think.

20 Q Do you have any involvement in or
21 connection with GCN, LP?

22 A Yes.

23 Q What is your involvement in GCN, LP?

24 A I'm one of the partners.

25 Q Who are the other partners?

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1 Q What are the names of your children,
2 please?

3 A Rachel Marie Brown, Justin Carey Brown,
4 and Tyler Matthew Brown.

5 Q Do any of them live with you?

6 A Well, Justin and Tyler do, and Rachel
7 does when she's out of school.

8 Q Are they over age eighteen, all three of
9 them?

10 A Two of them are.

11 Q Which one is not?

12 A Tyler.

13 Q They've never served as an employee in
14 any of your cash advance related businesses?

15 A Well, Rachel works at Credit Payment
16 Services when she's home.

17 Q Have any of the boys ever worked for
18 Credit Payment Services?

19 A No.

20 Q How many employees does Credit Payment
21 Services have, approximately?

22 A Two hundred.

23 Q And of those, approximately how many of
24 them are in Chattanooga?

25 A A hundred.

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1 Q And are most of those employees basically
2 working the phones in connection with the business?

3 A Most of them, yeah.

4 Q Who is the top-ranked employee of Credit
5 Payment Services?

6 A Jimmy Meyers.

7 Q Where is he located?

8 A Here.

9 Q What is his title?

10 A General manager.

11 Q Does he have any ownership interest in
12 either My Cash Now or Credit Payment Services?

13 A No.

14 Q So he's just a regular employee --

15 A Right.

16 Q -- except that he's the highest ranking?

17 A Right.

18 Q Now, do you have someone similar to him,
19 in terms of the position, out in Nevada?

20 A Well, the office manager there.

21 Q Who is that?

22 A Norm Stevens.

23 Q Have you ever received compensation in
24 any form or -- compensation in any form from either
25 My Cash Now or Credit Payment Services?

1 A Yes.

2 Q Where are the tax records for My Cash Now
3 kept?

4 A There aren't any.

5 Q Has My Cash Now ever filed any tax return
6 of any type?

7 A No.

8 Q Does Credit Payment Services file tax
9 returns?

10 A Yes.

11 Q Who prepares those tax returns?

12 A Sherry Huff, mostly.

13 Q Where is she located?

14 A Chattanooga.

15 Q Is she an accountant?

16 A A bookkeeper.

17 Q Is she an employee of Credit Payment
18 Services?

19 A Yes.

20 Q Does she do the initial work and then an
21 accountant handles the rest of it before filing?

22 A Yes.

23 Q What accountant is that?

24 A Steve Newlin.

25 Q Can you spell his last name?

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1 A N-E-W-L-I-N. He's a CPA.
2 Q Who does he practice with?
3 A It's his own firm.
4 Q Where is his office located?
5 A Next to Sam's on Lee Highway.
6 Q How long has he been providing services
7 to Credit Payment Services?
8 A Ever since we started.
9 Q Has he ever provided any services to
10 My Cash Now?
11 A No.
12 Q Has any accountant ever provided services
13 to My Cash Now?
14 A No.
15 Q Has anyone ever provided bookkeeping
16 services for My Cash Now?
17 A No.
18 Q Have there ever been any financial
19 records in existence for My Cash Now?
20 A No.
21 Q Has Credit Payment Services ever used the
22 services of any other accountant or bookkeeper,
23 other than Steve Newlin and Sherry Huff?
24 A There's a Robin Williams that was a
25 bookkeeper for a while.

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1 Q So if you go to the My Cash Now web site,
2 is that My Cash Now's web site or is that Credit
3 Payment Services' web site?

4 A I don't know.

5 Q Who actually pays the registration for
6 the web site?

7 A Credit Payment Services.

8 Q And the web site we're talking about is
9 mycashnow.com, is that correct?

10 A Right.

11 Q Is there any other web site that you
12 operate or that some business in which you have an
13 interest in operates that relates to the cash
14 advance industry?

15 A Nothing that relates to My Cash Now.

16 Q What about that relates to the cash
17 advance industry?

18 A Yeah.

19 Q What web site or web sites?

20 A paydaymax.com.

21 Q Is that an internet-based business
22 primarily or is that a Brick And Mortar --

23 A Internet.

24 Q When was that entity formed?

25 A I think it was in the last year.

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1 Q What was that name, again?

2 A paydaymax.com.

3 Q Was Scott Wilson involved in setting that

4 up?

5 A Yes.

6 Q What's the difference between

7 paydaymax.com or that business and My Cash Now?

8 A There's not much difference.

9 Q What's the difference between

10 paydaymax.com or that business and Credit Payment

11 Services?

12 A Between paydaymax and Credit Payment

13 Services?

14 Q Yes.

15 A Credit Payment Services does the same

16 thing for paydaymax that it does for My Cash Now.

17 Q Okay. Exactly what does it do for

18 paydaymax?

19 A Marketing, handling phone calls, taking

20 applications, approving and denying loans, fraud

21 verification, accounts receivable.

22 Q When you say it does that for paydaymax,

23 what does paydaymax receive from it?

24 A Nothing.

25 Q What does paydaymax give or convey to

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1 Credit Payment Services?

2 A I guess just the use of the name.

3 Q Who owns paydaymax?

4 A I don't know.

5 Q Are you an officer of paydaymax?

6 A I don't know. That's another Scott
7 Wilson, however he set it up.

8 Q If there are business decisions to be
9 made for paydaymax, who makes those decisions?

10 A I do.

11 Q If there are business decisions to be
12 made for My Cash Now, who makes those decisions?

13 A I do.

14 Q If there are business decisions to be
15 made for Credit Payment Services, who makes those
16 decisions?

17 A I do.

18 Q Does anyone else participate in those
19 decisions for paydaymax?

20 A Yeah.

21 Q Who?

22 A All of the management of Credit Payment
23 Services.

24 Q Tell me who the management is of Credit
25 Payment Services.

- 1 Q What's the name of that bank?
- 2 A I don't remember.
- 3 Q Who has the authority to sign checks on
- 4 the Cornerstone account?
- 5 A I do.
- 6 Q Anyone else?
- 7 A Sherry Huff.
- 8 Q Anyone else?
- 9 A Maybe Jimmy Meyers, I'm not sure.
- 10 Q Who has the authority to sign checks on
- 11 the bank account out in Nevada?
- 12 A Sherry Huff. And I don't know if anybody
- 13 else does.
- 14 Q Do you?
- 15 A I'm not sure that I even do.
- 16 Q Does Credit Payment Services have any
- 17 other bank accounts?
- 18 A I don't think so. Sherry Huff handles
- 19 the money.
- 20 Q And where does Sherry Huff live?
- 21 A Well, she lives in Fort Oglethorpe.
- 22 Q When you say she "handles the money,"
- 23 what do you mean?
- 24 A She's, like, the chief financial officer.
- 25 Q Do you receive a paycheck from Credit

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EXHIBIT H

WHAT'S A PAYDAY LOAN? Chattanooga Times Free Press (Tennessee) December 18, 2011 Sunday

-- Ellis Smith

LOAD-DATE: December 18, 2011

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EXHIBIT I



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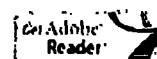
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Annual Registrations

The Georgia Code only requires the Office of Secretary of State to retain annual registrations for a period of five years from the date in which it was filed. Annual registrations older than five years may no longer be available for certification or viewing on the web.

Business Name History

Name	Name Type
ENERGY WAY CORPORATION	Current Name

Profit Corporation - Foreign - Information

Control No.:	11080096
Status:	Active/Compliance
Entity Creation Date:	10/19/2011
Jurisdiction:	NV
Principal Office Address:	P. O. BOX 8516 CHATTANOOGA TN 37414
Last Annual Registration Filed Date:	1/26/2012
Last Annual Registration Filed:	2012

Registered Agent

Agent Name:	Huff, Sherry
Office Address:	500 THOMAS DRIVE Rossville GA 30741
Agent County:	CATOOSA

Officers

Title:	CFO
Name:	SHERRY HUFF

11080096-11

Address: P. O. BOX 8516
CHATTANOOGA TN 37414

Title: Secretary
Name: SHERRY HUFF
Address: P. O. BOX 8516
CHATTANOOGA TN 37414

Title: CEO
Name: STEVE STEELE
Address: 3806 AMNICOLA HWY
Chattanooga TN 37406

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EXHIBIT J



1 of 47 DOCUMENTS

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Chattanooga Times Free Press (Tennessee)

November 13, 2012 Tuesday

SECTION: BUSINESS; Pg. C1

LENGTH: 657 words

HEADLINE: Hilltop denies duplex

BYLINE: Ellis Smith, Staff Writer

BODY:

It's time to banish duplexes to the dustbin of history, Hilltop Neighborhood homeowners argued on Monday.

More than two dozen neighbors, along with City Councilwoman Carol Berz, successfully fought an effort by Energy Way Corp. to win an exception to the community's single-family zoning at a meeting of the Chattanooga-Hamilton County Regional Planning Commission.

The vote against the duplex was unanimous.

"This is a neighborhood who worked long and hard to become what they are, and that's lots of single-family dwellings," Berz said.

To hear neighbors tell it, the duplex experiment nearly destroyed their community, and they've just now clawed their way back from the precipice. Homebuyers won't purchase homes in a neighborhood with duplexes, especially those with absentee corporate owners who don't maintain the property, said homeowner Bob Mitchell.

"We're past the duplex era; please don't push us back into a hole," he said.

In the 1960s and 1970s, city planners thought it was a good idea to build multifamily homes in established neighborhoods, Mitchell said. The influx of affordable housing for two or more families would revitalize aging communities and bring new blood into Chattanooga for businesses hungry for cheap labor, they thought.

But the duplex craze didn't last long.

Crime moved into the neighborhoods along with the low-rent tenants, spreading drugs and violence into family neighborhoods, neighbors say.

In 1989, planners reversed themselves. Officials rezoned the entire Hilltop Neighborhood back to single-family R-1 zoning, and duplexes that stayed vacant for 100 days had to be converted to single-family homes.

Unfortunately, Energy Way Corp. wasn't aware of the neighborhood's history when the company bought the last duplex standing in the Hilltop core.

"This was news to us," said Peter Johnson, an attorney for Scenic City Legal Group, which represents Energy Way Corp.

Johnson argued that as property owners and now members of the neighborhood, Energy Way Corp. has the right to keep using the duplex as it was intended.

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Hilltop denies duplex Chattanooga Times Free Press (Tennessee) November 13, 2012 Tuesday

"If they cannot use this property at its current use, there's nothing keeping this home from being the next gang house," he said. "This type of permit is not just for the property owners around it, [Energy Way Corp. has] just as much right to use this property as everyone else has."

Energy Way Corp. is listed with the Georgia secretary of state as being operated by Steve Steele and Sherry Huff, longtime associates of payday lender Carey Vaughn Brown.

Though Brown attended Monday's meeting, the Chattanooga entrepreneur did not speak.

Like many of Brown's companies such as Terenine and Area203, Energy Way Corp. was incorporated in Nevada through Silver Shield Services, a company that has claimed on its website to offer "protection from lawsuits, government creditors and state taxes through Nevada's incorporation-friendly laws."

That type of property owner rubs Robert Manor, head of the Hilltop Neighborhood Association, the wrong way.

"On the surface, it seems like somebody is just trying to revert this to R-3, but when we found out the money trail behind it, we found out wow, we really don't want that," Manor said. "They've got no vested interest in our community other than making a quick buck."

The attempt by Energy Way to re-establish the rental property in the Hilltop Neighborhood may have come at the worst possible time, said Berz, because the Chattanooga City Council is preparing to place a moratorium on new exceptions to R-1 zoning, she said.

"Obviously, there is no doubt in my mind that this should be turned down," she said.

Energy Way owner Carey Brown said later that the company already had installed a 30-year architectural roof in the 2,700-square-foot building and said he would maintain the area's standards.

"I'm sure that the neighbors will be pleased when we are finished," Brown said.

Contact staff writer Ellis Smith at esmith@timesfree press.com or 423-757-6315.

LOAD-DATE: November 13, 2012

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EXHIBIT K

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EXHIBIT L

New Republican Super-PAC Aids Swing-State Political Organizing

BY GREGORY GIROUX

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A new Republican super-PAC will pay to deploy party activists and volunteers from states that aren't politically competitive in the Nov. 6 election to states that are.

Republican Union PAC, which filed [organizing paperwork](http://query.nictusa.com/pdf/297/12030863297/12030863297.pdf#navpanes=0) (<http://query.nictusa.com/pdf/297/12030863297/12030863297.pdf#navpanes=0>) with the Federal Election Commission this week, will pay hotel and travel expenses to move people who want to contact voters in states with close presidential and congressional races, spokesman Bo Harmon said in an interview.

The PAC's name underscores the importance of Republican unity as much as it acknowledges that Democratic-friendly labor unions have long funded on-the-ground political organizing in a way the Republican side hasn't. It's a void that Republican Union PAC aims to fill, Harmon said.

"For years and years, Democrat unions have held an advantage over Republicans in terms of grassroots volunteer deployment because of their ability to cover the cost of activists going into the field in target states," Harmon said. "Republicans have millions and millions of conservative activists around the country and the Republican Union PAC was created to help move activists into target states and cover the cost of their deployment."

The super-PAC is working with state parties and conservative organizations to identify and reach out to volunteers willing to relocate to swing

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EXHIBIT M



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The GOP Fights a Losing Battle in PA

By Randy LoBasso

Posted Sep. 19, 2012 | Comments: 1 | Add Comment

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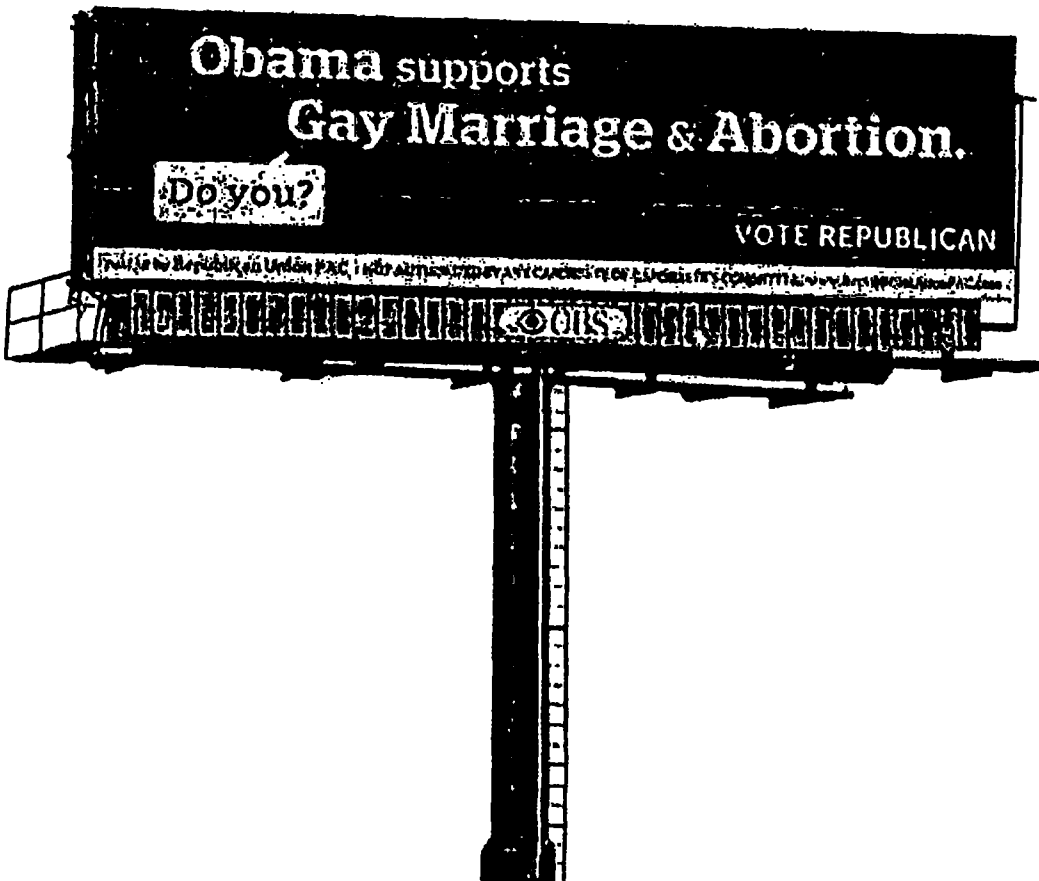


Photo by James Schubauer

Both Republican presidential candidate Mitt Romney's campaign and several big-money conservative super PACs stopped running ads in Pennsylvania earlier this month, all but assuring President Obama's victory in November. But if you look closely, there are still traces of outside money coming into Pennsylvania to help

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sway the election in the Republican's favor. Case in point: a billboard plastered up between the Bridge Street and Cottman Avenue exits off I-95 in Northeast Philadelphia. Entertainingly, it reads: "Obama supports gay marriage and abortion. Do you? Vote Republican."

The GOP is nothing if not consistent.

The billboard was put up by the Republican Union Political Action Committee, a super PAC made up of two former Republican operatives and Jamie Brazil, a former senior consultant to both Bill and Hillary Clinton. The PAC claims its goal is to stop unions (or, "Obama's union forces," as they've been called) and Obama himself from cashing in on a second term. The PAC, which formed in April and has stacked similar billboards all over Pennsylvania's roadways (most notably the PA Turnpike and I-95), spent \$950,000 to do all this after receiving a single \$1 million donation from an anonymous donor, according to opensecrets.org, a nonpartisan nonprofit that tracks money in politics.

Meanwhile, Brazil, a Catholic, says Catholics aren't happy with the Obama presidency. (He also claimed Republican John McCain would win the commonwealth by three points back in 2008.) He, like many politicians sad about the end of the Clinton era—they were called PUMAs (Party Unity, My Ass!) for a while in 2008—thinks Catholic Democrats will come out in force against the president this year. It's been too long, the thinking goes, since Democrats have stood up for working-class Catholics and their social values.

The only problem: It's not going to work. According to a 2011 statewide poll conducted by Susquehanna Polling and Research, at least 60 percent of Pennsylvanians in each region of the commonwealth supported legislation that would have banned discrimination based upon sexual orientation. In Philadelphia, 74 percent supported the bill. While regional polls do not exist regarding gay marriage, a December 2011 Muhlenberg poll found gay marriage support in Pennsylvania at 52 percent. When Pennsylvanians were asked about which candidate is "closest to your views on value issues such as abortion and gay marriage" in a June 2012 Franklin and Marshall poll, 47 percent pointed to Obama, while 37 percent said Romney. The Republican has been consistently behind in the polls since campaign season began.

Which essentially means weird billboards like this one are all the state's Republicans have left. You've gotta feel bad for that anonymous donor.

Find this article at:

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