

Exhibit B

**UNITED STATES OF AMERICA
Before the
CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING
File No. 2015-CFPB-0029

In the Matter of:)
)
)
)
)
INTEGRITY ADVANCE, LLC and)
JAMES R. CARNES,)
)
)
Respondents.)
)
)
)
DECLARATION OF JOHN
MARLOW

DECLARATION OF JOHN MARLOW

District of Columbia:

I, John Marlow, hereby declare and state as follows:

1. My name is John Marlow. I am employed by the Consumer Financial Protection Bureau (CFPB) as a paralegal specialist in the CFPB Office of Enforcement in Washington, DC. The following facts are known to me personally and if called as a witness, I would competently testify thereto.

2. As part of my job, I research and investigate people and entities that may be violating the Consumer Financial Protection Act and other statutes enforced by the CFPB. I have been assigned to work on the Bureau's administrative proceeding against Integrity Advance, LLC and James R. Carnes.

3. As part of my job, I also review the complaints submitted by consumers about the entities the CFPB is investigating, including the complaints referenced herein.

Better Business Bureau Complaints

4. On January 23, 2016, I began a review of all complaints concerning Integrity Advance produced to Enforcement Counsel by the Better Business Bureau on June 23, 2014.

5. I grouped the complaints by complaint topic. In some instances, a complaint covered more than one topic and was therefore included in more than one group.

6. In 127 complaints, consumers stated that Integrity Advance charged them more than they believed the loan would cost. These consumers generally complained that they had relied on the Truth in Lending disclosures in the contract and/or representations or omissions regarding the loan terms made by Integrity Advance employees.

7. Typical complaints included the following:

- [REDACTED] wrote: "I called to pay loan in entirety. Was informed that payoff was \$650 because previous payments were only finance charges. This is absurd and I don't believe it was explained at inception (had it been, I would not have taken the loan[.] ... The truth in lending statement on their contract, page 2 clearly states in the Total of Payments section 'The amount you will have paid after you have made all payments as scheduled \$650.'; I believe this is pretty clear." Exh. Marlow-1 (CFPB037335).

- [REDACTED] wrote: "I took a \$500 loan with this company The truth in lending states: The amount you will have paid after you have made all payments as scheduled is \$650.00. I made all promised payments of \$150, when the final payment of \$50 was to be processed, they took out another \$150." Exh. Marlow-2 (CFPB037373).
- [REDACTED] wrote: "I called them asking why they were continuing to take money f[r]om my account when they charge \$30.00 per 100.00 you receive. This would make my payback \$150.00 for the 500.00 I borrowe[d] which totals a payback of 650.00. I have paid them \$950.00 and they said I should have called in to make the payment and the \$150.00 they kept deducting was only a fee for keeping the loan open!" Exh. Marlow-3 (CFPB037029).
- [REDACTED] wrote: "I took a cash advance from Integrity Advance for [\$]400 understanding that the finance charge would be [\$]120. I was told that that would be the amount I would pay back [...] the terms are NOT also explained verbally. If I had understood from the CSR [customer service representative] that this would occur[], I would have found other means for a short term loan." Exh. Marlow-4 (CFPB036997).
- [REDACTED] wrote: "The amount that was [loaned] to me was [\$]300.00 according to my papers it would cost me [\$]390.00. As of today ... they have taken [\$]500.00 out of my account and say [I] still owe them [\$]400.00 more." Exh. Marlow 5 (CFPB036746).

8. In 18 of the complaints, consumers specifically stated that Integrity Advance continued to withdraw money from their accounts after they had indicated that

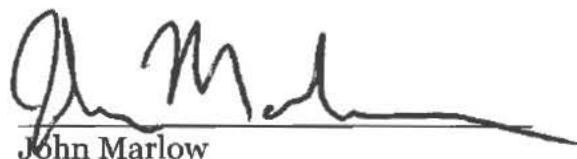
they wanted Integrity Advance to stop taking money from their accounts through ACH debits. Five complaints even expressly mentioned Integrity Advance using checks to take more money from consumers' accounts after the consumers had indicated that wanted Integrity Advance to stop taking money from their accounts through ACH debits.

9. Complaints about Integrity Advance's practice of taking more money from consumers' accounts after consumers had indicated they wanted Integrity Advance to stop taking money from their accounts through ACH debits included the following:

- [REDACTED] wrote: "I placed a stop payment on the account for debits and they submitted an electronic check that was not authorized for payment." Exh. Marlow-6 (CFPB037548).
- [REDACTED] wrote: "[Integrity Advance] took a total of \$750 out of my account before I went to my bank to put a stop payment on them. ... I don't know what happened, but without getting any notification from my bank or Integrity, my bank just authorized a check of \$650 taken out of my account and sent it to Integrity." Exh. Marlow-7 (CFPB037375).
- [REDACTED] wrote: "Since I had already paid back the \$500 and then some ... and was also charged \$560 in overdraft charges as a result of me not knowing Integrity was still taking money every 2 weeks ... I contacted my bank and had them stop any payment requests from Integrity. ... Integrity submitted 3 unauthorized checks to my bank ... for a total of \$955. Their checks also caused an additional \$210 in overdraft charges." Exh. Marlow-8 (CFPB037146).

- [REDACTED] wrote: "I had applied for a payday loan in August 2011 for \$500.00, [I]integrity has been taking out \$120.00 dollars every two weeks since August. ... I have now placed a block on my account and possibly may close my bank account because ... they continue to take money out of my account which is putting me in a financial situation. ... I have paid over \$1000.00 for a \$500.00 loan." Exh. Marlow-9 (CFPB0037301).
- [REDACTED] wrote: "[Integrity Advance] illegally attempted to debit my bank account for another [\$]206, even though they received timely revocation of any ACH authorization AND I have LEGALLY overpaid them for the funds I received from them!" Exh. Marlow-10 (CFPB036619).

I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct. Executed on May 10, 2016.



John Marlow

Exhibit Marlow-1

Complaint ID #: 8887850

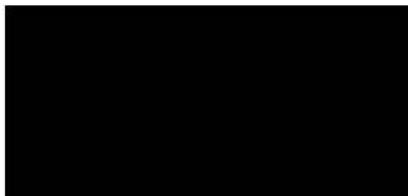
Business Information

Integrity Advance LLC
300 Creek View Road Suite 102
Newark , DE 19711
8005056073

Business ID: 32000124

NEW CASTLE

Consumer Information



Complaint Details

Date Filed: 1/20/2012

Nature of the Complaint: Billing or Collection Issues

Consumer's Original Complaint:

Borrowed \$500.00 with impression payback was \$650.00; before 4th payment (had paid \$450.00), I called to pay loan in entirety. Was informed that payoff was \$650.00 because previous payments were only finance charges. This is absurd and I don't believe it was explained at inception (had it been, I would not have taken loan)

Consumer's Desired Resolution:

Refund of \$450.00, this what would result in Integrity Advance receiving \$650.00 over the 4 month period (30% interest for 4 months), the truth in lending statement on their contract, page 2 clearly states in the Total of Payments section "The amount you will have paid after you have made all payments as scheduled \$650.00."; I believe this is pretty clear. Regardless of the outcome, anyone who does business with this (or any similar) company is foolish.

Business/Consumer Responses:

Exhibit Marlow-2

Complaint ID #: 8127020

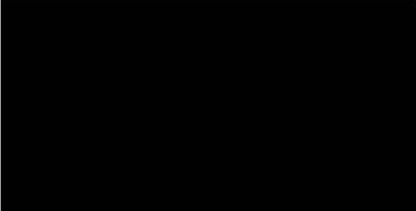
Business Information

Integrity Advance LLC
300 Creek View Road Suite 102
Newark , DE 19711
8005056073

Business ID: 32000124

NEW CASTLE

Consumer Information



Complaint Details

Date Filed: 3/9/2010

Nature of the Complaint: Billing or Collection Issues

Consumer's Original Complaint:

I took out a \$500 loan with this company on 12/08/2009, it is stated in the contract that the loan will be for a total of \$650. The truth in lending states: The amount you will have paid after you have made all payments as scheduled. is \$650.00. I made all promised payments of \$150, when the final payment of \$50 was to be processed, they took out another \$150. So I contacted this company and they say that it is in the contract that if you dont call 3 business days prior to payment that they keep charging you interest. It is clearly stated in my contract that \$650 is my truth in lending amount. So, I stopped payment on this amount. Today, 3/9/10, they presented amounts by check, one for \$175, and another for \$350. I never authorized a check payment for either one of these payments and now and I am overdrawn in my account because of it. I have read online, that there are more people dealing with the same problem from this company, and they need to be looked into, for their wrong misleading business practices.

Consumer's Desired Resolution:

I would like my money back. The loan was for \$500, with fee a total of \$650, and so far they managed to take out \$1125. I want my refund of \$475.

Business/Consumer Responses:

Exhibit Marlow-3

Complaint ID #: 8009669

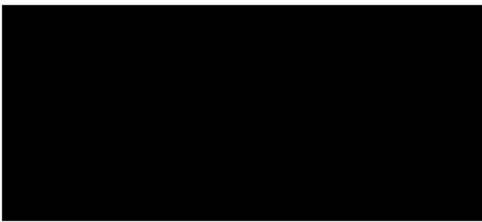
Business Information

Integrity Advance LLC
300 Creek View Road Suite 102
Newark , DE 19711

Business ID: 32000124

NEW CASTLE

Consumer Information



Complaint Details

Date Filed: 10/16/2009

Nature of the Complaint: Sales Issues

Consumer's Original Complaint:

I had received a \$500.00 advance and was told my minimum payment was \$150.00 minimum payment to pay off the loan. I received this payment of \$500.00 on 07-30-09. I get paid bi-weekly and they deducted \$150.00 from my pay check on the following dates. 08-07-09,08-21-09,09-04-09, 09-18-09,10-02-09 and an additional \$200.00 was deducted from my account on 10-16-09. I called them asking why they were continuing to take money from my account when they charge \$30.00 per 100.00 you receive. This would make my payback \$150.00 for the 500.00 I borrowed which totals a payback of 650.00. I have paid them \$950.00 and they said I should have called in to make the payment and the \$150.00 they kept deducting was only a fee for keeping the loan open! Help me please I don't know what to do with this. This has got to be illegal. Please help me I have a family to support and can't just give my money away with nothing to show for it.

Consumer's Desired Resolution:

I would like to have this loan to be marked paid in full to say the least. It would be nice if they would refund the \$300.00 over the amount I thought I was paying for the loan.

Business/Consumer Responses:

10/29/2009
[REDACTED]

I do not accept the response made by the business to resolve this complaint

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID 8009669, and have determined that this does not resolve my complaint. For your reference, details of the offer I reviewed appear below.

[To assist us in bringing this matter to a close, we would like to know your view on the matter.]

I am not accepting of the fact that they didn't even send me a copy of the agreement nor make it clear thay would be charching \$75.00 a week to keep this loan open! Once I figured out who they were (they had barged in while I was online filling out an application for "Care Credit" NOT Integrity advance. I think this is also criminal!) The next thing, Ithink I have the "Care Credit" application approved (when in fact it was Integrity Advance). I did not receive ANYTHING from them by e-mail as to the full content of the loan application or even anything with their name on it. I and I didn't even know their name until it was on my bank statement when they deposited the loan amount. The following Friday they took out \$150.00 and continued to do so Bi- weekly in which I thought it was the loan payment! Who on this earth can charge a person &75.00 weeekly to "Keep a loan open" without their knowledge? That is Criminal- theft!

I am sure I'm not the 1st to be TAKEN by this company. I think they should be completely shut down so they cannot take advantage of people and taking their money the way they are. No wonder the economy sucks! I can't even pay my normal bills because of this company. I'll bet they will be getting "BAILED OUT" by the government as soon as they can too! They are out to take all the money they can from the public and then sit back and laugh about it!

[REDACTED]

Exhibit Marlow-4

Complaint ID #: 7440212

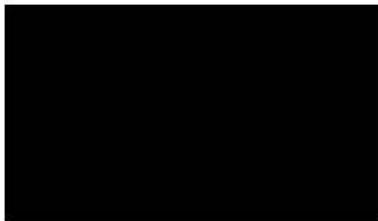
Business Information

Integrity Advance LLC
300 Creek View Road Suite 102
Newark , DE 19711

Business ID: 32000124

NEW CASTLE

Consumer Information



Complaint Details

Date Filed: 1/5/2009

Nature of the Complaint: Sales Issues

Consumer's Original Complaint:

I took a cash advance from Integrity Advance for 400\$ understanding that the finance charge would be 120\$. I was told that that would be the amount I would pay back. I recently checked my cking account and have noticed that Integrity has been debiting my account 120\$ for the past 2 months. I was completely un aware that this debit would be reoccurring. Then I thought they were debiting my acct to accumulate the total of 520.00. That is not the case. I was informed by them I still have to pay 520.00 in addition to the debits which have been occurring for the past 2 months as well. Again,I was not properly informed from the CSR who discussed the loan with me in November.

I called them today and was faced with screaming CSR's who would not provide me with a managers name or a supervisors name. I was hung up on 2xs. I am not trying to renage on the agreement but I do feel that it is completely out of line to charge 120\$ every 2 weeks for use of this money. In fact its pirating money and is thievery when the terms are NOT also explained verbally. If I had understood from the CSR that this would occur, I would have found other means for a short term loan. This is a ruthless company and I need their direct phone number.

I also reside in NJ and my zip code is 08753

Consumer's Desired Resolution:

I communicated to them I would pay 400\$ plus 120.. but am requesting a refund for the prior amts debited in November. I believe this is fair. They are stealing money. I am trying to refi my mortgage and need this money.

Business/Consumer Responses:

01/23/2009
[REDACTED]

I do not accept the response made by the business to resolve this complaint

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID 7440212, and have determined that this does not resolve my complaint. For your reference, details of the offer I reviewed appear below.

[RegardS
[REDACTED]

I have recv an email from this Anthony W. I also filed a complaint with NJ Depart of Banking and Insurance who is investigating. It appears as though this company is willing to accept the final balance paid in full of 160\$. AFter I call NJ State on Monday 01 26 if everything is in order and they agree with their offer, I will resolve the issue within the scope of the law set forth for these predators.

02/05/2009

rose

Respond to Complaint
resp

02/05/2009
[REDACTED]

I accept the business's response to resolve this complaint

[A default letter is provided here which indicates your acceptance of the business's response. If you wish, you may update it before sending it.]

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID 7440212, and find that this resolution is satisfactory to me.

Regards,

[REDACTED]
Anthony,

I faxed the paper work to you on Sunday, You should have received it.. It also went to NJ State Department of Banking and Insurance of NJ.. all you need now is the amount of 160.00\$ which will be mailed to your attention in MO form.

Exhibit Marlow-5

Complaint ID #: 7967655

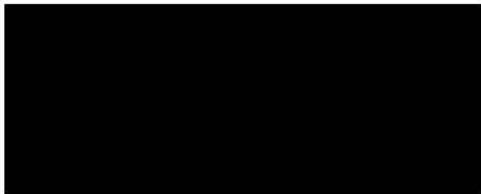
Business Information

Integrity Advance LLC
300 Creek View Road Suite 102
Newark , DE 19711
8005056073

Business ID: 32000124

NEW CASTLE

Consumer Information



Complaint Details

Date Filed: 8/25/2009

Nature of the Complaint: Billing or Collection Issues

Consumer's Original Complaint:

I applied for a loan through integrity advance on 6/2/09. The amount that was lended to me was 300.00 according to my papers it would cost me 390.00. As of today 8/25/09 they have taken 500.00 out of my account and say i still owe them 400.00 more. I called them on 8/24/09 regarding this matter and they stated i didnt call them within three days of my payment so they refianced the 300.00. I am hoping you can help me in this matter they also stated they will be taking another 140.00 out of my account of 09/04/2009 thank you [REDACTED]

Consumer's Desired Resolution:

would like to have everything over the 390.00 refunded to me

Business/Consumer Responses:

09/03/2009
[REDACTED]

I do not accept the response made by the business to resolve this complaint.

Better Business Bureau:

I have reviewed the response made by the business in reference to complaint ID 7967655, and have determined that this does not resolve my complaint. For your reference, details of the offer I reviewed appear below.

[To assist us in bringing this matter to a close, we would like to know your view on the matter.]

Regards,

[REDACTED]

Exhibit Marlow-6

Complaint ID #: 8122204

Business Information

Integrity Advance LLC
300 Creek View Road Suite 102
Newark , DE 19711
8005056073

Business ID: 32000124

NEW CASTLE

Consumer Information



Complaint Details

Date Filed: 3/4/2010

Nature of the Complaint: Contract Issues

Consumer's Original Complaint:

I took out a loan for \$400 with Integrity Advance, LLC thinking the company was legal. They have debited my checking account as of today March 4, 2010 \$1,090.00 which is far above the legal limit in the State of Alabama. I placed a stop payment on the account for debits and they submitted an electronic check that was not authorized for payment. I have filed with the Attorney General's Office, the FTC and now the BBB. This company is not licensed in the State of Alabama.

Consumer's Desired Resolution:

My desired outcome is for this company to discontinue withdrawing from my bank account and refund me the \$520.00 that was over paid.

Business/Consumer Responses:

Exhibit Marlow-7

Complaint ID #: 8690921

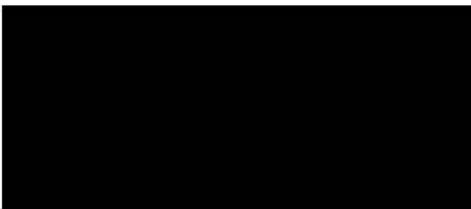
Business Information

Integrity PDL Services, LLC
300 Creek View Road Suite 102
Newark , DE 19711
8775624980

Business ID: 32000124

NEW CASTLE

Consumer Information



Complaint Details

Date Filed: 8/3/2011

Nature of the Complaint: Contract Issues

Consumer's Original Complaint:

A couple of months ago I was trying to apply for a loan online. I tried several different websites, then afterwards I decided not to follow through with the loan. Out of nowhere there was a direct deposit in my bank account for \$500 from Integrity. At the time I wasn't even sure where the money came from or who Integrity was. Every 2 weeks afterwards there was \$150 that was taken out of my account and went back to Integrity. I have applied for a loan online before several years ago from a different company, and after it was approved I had to come in and sign a lot of paperwork and show proof of having a job. I never got any emails from Integrity and I never had to sign anything or show proof of having a job. I went to Integrity's website(<http://www.integritypayday.com>) and I couldn't find a "terms and conditions" contract anywhere that explains how much interest you are charged and when you have to pay it or how long you have to pay it off. They were just accessing my account without my permission. They took a total of \$750 out of my account before I went to my bank to put a stop payment on them. I explained what had happened and they said I should dispute these payments that are going to them. My bank let me dispute \$450. My bank also went back and forth with Integrity for the dispute. I don't know what happened, but without getting any notification from my bank or Integrity, my bank just authorized a check of \$650 taken out of my account and sent it to Integrity. So they took a total of \$950 out of my account without my permission for a \$500 loan that I never even followed through

with and shouldn't have happened. I never had to sign any paper work and wasn't shown any contract or rules for taking a loan out with them. The few rules on their website are vague and don't explain much. I don't even care about the full \$950, they can keep the \$500 that was initially the loan, but I want the \$450 extra that they took from me.

Consumer's Desired Resolution:

Integrity PDL Services took from me a total of \$950 without my permission. \$500 of that was the loan that I never even authorized and signed for in the first place. I want back the additional \$450 that they took out my account.

Business/Consumer Responses:

Exhibit Marlow-8

Complaint ID #: 8152337

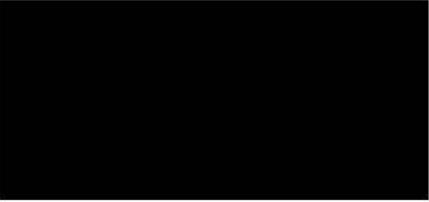
Business Information

Integrity Advance LLC
300 Creek View Road Suite 102
Newark , DE 19711

Business ID: 32000124

NEW CASTLE

Consumer Information



Complaint Details

Date Filed: 4/7/2010

Nature of the Complaint: Billing or Collection Issues

Consumer's Original Complaint:

I contacted Integrity Advance LLC on 11/18/09 for a cash advance loan of \$500. I paid \$150.00 every two weeks until 1/22/10 for a total of \$750. I called them on 1/22 after they had charged me \$250 in fees to determine why I was still being charged as the original paperwork I remembered seeing online said a payment of \$625-650 total (can't remember exact amt). They said I still owed them over \$600 because their contract keeps refreshing your loan if you don't set up full payment in the first 3 days of receiving the money. Having not realized this initially, I felt like my hands were tied as I could not afford another \$600. Since I had already paid back the \$500 and then some...and was also charged \$560 in overdraft charges as a result of me not knowing Integrity was still taking money every 2 weeks...and I had tried to resolve this with them...I contacted my bank and had them stop any payment requests from Integrity. On 4/1/10, Integrity submitted 3 unauthorized checks to my bank ([REDACTED] ..also my employer)for a total of \$955. Their checks also caused an additional \$210 in overdraft charges. I have filed a complaint through [REDACTED] but have not received my money back. Integrity Advance has wiped out my savings, put in an extreme financial risk, and have made me feel like less than a person. I contacted them on 4/2 and their offices were closed for the day. I contacted them on 4/7 and talked with billing who said I was now paid in full. I want to know how this isn't considered illegal that they just took \$1705 for an original loan of \$500?

I would also like to know how I can/if I can get back the \$955 they just took from my account?
Please stop this! Sincerely, [REDACTED]

Consumer's Desired Resolution:

I would like a refund on the \$955 I paid on 4/1/2010. I had already paid them \$750 for services rendered on an original loan of \$500. This is robbery!

Business/Consumer Responses:

Exhibit Marlow-9

Complaint ID #: 8834653

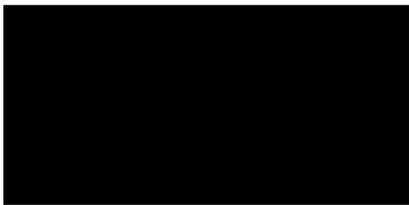
Business Information

Integrity Advance LLC
300 Creek View Road Suite 102
Newark , DE 19711
8005056073

Business ID: 32000124

NEW CASTLE

Consumer Information



Complaint Details

Date Filed: 12/3/2011

Nature of the Complaint: Billing or Collection Issues

Consumer's Original Complaint:

I had applied for a payday loan in August 2011 for \$500.00, integrity has been taking out \$120.00 dollars every two weeks since August. As of today, they are still taking money out of my bank account.I have called several times to pay off my debt but I was told I must go through the integrity website and request to pay off my debt. I called several times stating the website only allows the customer to access if they have an active loan. The website we must call the customer service for further information. I was told by one representative that he would email me some paperwork related to paying off my debt and he never did. I have now placed an block on my account and possibly may close my bank account because of they continue to take money out of my account which is putting me in a financial situation. I would like that have my account as paid, I have paid over \$1000.00 for a \$ 500.00 loan.

Consumer's Desired Resolution:

Please have my loan as paid..I made every attempt to pay off this debt immediately and I was met with resistance by your representative. This has put me in a financial strain

Business/Consumer Responses:

Exhibit Marlow-10

Complaint ID #: 8239148

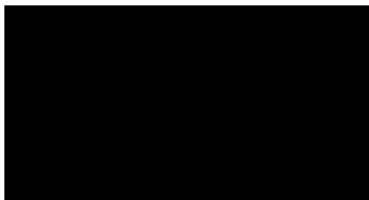
Business Information

Integrity Advance LLC
300 Creek View Road Suite 102
Newark , DE 19711

Business ID: 32000124

NEW CASTLE

Consumer Information



Complaint Details

Date Filed: 7/18/2010

Nature of the Complaint: Billing or Collection Issues

Consumer's Original Complaint:

This company is providing payday loans via the internet. Through research I have found that the payday loans provided by this company to Alabama residents do not follow Alabama laws and, as such, are illegal loans in Alabama. This company is not licensed in Alabama to provide payday loans to Alabama residents. Alabama residents are bound by the laws of Alabama with regard to such loans. I have a payday loan with this company for 700 for which I have already paid them 854, resulting in an overpayment of 154, as I am legally obligated to only pay them the 700 in principal. I sent a letter to this company revoking any ACH authorization and rescinding any wage assignment I may have given them, requested a refund of the 154 overpayment and a letter indicating that my account is considered closed and paid in full. To date, I have not received a response and on 7/15/2010 this company illegally attempted to debit my bank account for another 206, even though they received timely revocation of any ACH authorization AND I have LEGALLY overpaid them for the funds I received from them! I would like a written response from this company regarding my letter, specifically indicating that they will honor the requests made in my letter of 7/10/2010, that they will communicate only with me on this matter and only in writing, as requested, and I demand that they provide a refund of the 154 overpayment and a letter indicating that the account is closed and paid in full.

Consumer's Desired Resolution:

I would like a written response from this company regarding my letter, specifically indicating that they will honor the requests made in my letter of 7/10/2010, that they will communicate only with me on this matter and only in writing, as requested, and I demand that they provide a refund of the 154 overpayment and a letter indicating that the account is closed and paid in full.

Business/Consumer Responses: