

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE ATTORNEY GENERAL**



**In the Matter of:**

**Duvera Billing Services, LLC d/b/a  
EasyPay Finance**

**ASSURANCE OF VOLUNTARY COMPLIANCE**

The Attorney General for the District of Columbia, on behalf of the District of Columbia (“District”), and Respondent Duvera Billing Services, LLC, d/b/a EasyPay Finance (“Respondent”) (and with the District, the “Parties”), hereby enter into this Assurance of Voluntary Compliance (“Assurance”), pursuant to D.C. Code § 28-3909(c)(6), and agree as follows:

**I. THE PARTIES**

1. The Attorney General for the District of Columbia is the chief legal officer for the District of Columbia. Pursuant to D.C. Code § 28-3909(a)-(b), the Attorney General is authorized to bring legal actions seeking injunctive relief, consumer restitution, civil penalties, costs, and attorneys’ fees for violations of the District’s Consumer Protection Procedures Act (“CPPA”), D.C. Code §§ 28-3901, *et seq.* Pursuant to D.C. Code § 28-3909(c), the Attorney General is authorized to negotiate and enter into agreements for compliance by merchants with the provisions of the CPPA.

2. Respondent is a California Limited Liability Company that, the District alleges, has at all times relevant to this matter been engaged in the business of providing Loans to Consumer(s) in the District of Columbia to facilitate the purchase of tires and other items at the point-of-sale.

## **II. DEFINITIONS**

3. "**Affected Consumer**" shall mean a Consumer who paid over 24% APR interest in the repayment of a Loan.

4. "**Consumer**" shall mean a resident of the District of Columbia.

5. "**Defaulted Loan**" shall mean a Loan made to a Consumer that is at least sixty (60) days past due as of the Effective Date of this agreement, or a Loan provided to a Consumer who filed for bankruptcy protection while he/she/they had a Loan in repayment.

6. "**Directly Reimbursed Consumer**" shall mean each Affected Consumer who did not pay off their Loans in full during the IRP and whose total payments of interest over 24% APR equal at least \$10.

7. "**Effective Date**" shall mean the last date upon which any party executes this Assurance.

8. "**IRP**" shall mean the Interest Rebate Program which provided a rebate on interest paid during the first ninety (90) days of the Loan when the loan was paid in full during this promotional window.

9. "**Loan**" shall mean an extension of credit made by EasyPay in conjunction with TAB bank, to a Consumer.

## **III. DISTRICT'S ALLEGATIONS**

10. Respondent has provided Loans to Consumers in conjunction with TAB Bank.

11. Respondent's Loans have had an average annual percentage rate of 163%.
12. Respondent's Loans violate the District's usury cap of 24%. D.C. Code § 28-3301.
13. The District alleges that Respondent, and not TAB Bank, is the true lender providing these Loans.

14. Specifically, the District alleges that Respondent:

- a. has a 90% participation interest in the Loans,
- b. takes most of the risk of non-performance of the Loans,
- c. protects TAB Bank against the risk of non-performance of the Loans,
- d. does the marketing and provides customer service for the Loans,
- e. provides the underwriting model for the Loans,
- f. takes responsibility for monitoring risk, including fraud and credit risk for the provision of the Loans, and
- g. owns the trademark for EasyPay Finance.

15. Respondent denies that it has violated District law and further denies that it is the true lender of the Loans made by TAB Bank to Consumers.

#### **IV. APPLICATION**

16. The Parties have agreed to the terms of this Assurance in order to fully resolve the District's allegations against Respondent.

17. The provisions of this Assurance shall apply to Respondent and all persons or entities that it controls or has the ability to control, including without limitation its principals, officers, directors, employees, agents, successors, or assignees.

18. The provisions of this Assurance shall apply to Respondent's conduct in connection with its provision or facilitation of any extensions of credit to District of Columbia Consumers.

19. In entering into this Assurance, the Parties are neither extinguishing any rights otherwise available to Consumers, nor creating any rights not otherwise available under the laws of the District of Columbia.

**V. INJUNCTIVE TERMS**

20. Respondent will not, directly or indirectly, offer, provide, or advertise extensions of credit to District of Columbia consumers at a rate above that set by D.C. law, including but not limited to D.C. Code § 28-3301, which is currently capped at an interest rate of 24% APR.

21. Respondent will not facilitate extensions of credit to Consumers for another entity, at an interest rate above that set by D.C. law, including but not limited to D.C. Code § 28-3301.

22. Respondent may continue servicing existing loans for its customers in the District, so long as the APR on such loans does not exceed the rate set by D.C. law, including but not limited to D.C. Code § 28-3301. Notwithstanding the previous paragraph, Respondent may act solely as a service provider to another lender that is lawfully lending in the District of Columbia as long as Respondent does not do any of the following: a) take a participation interest in the extensions of credit provided by that lender, or b) take the risk of non-performance of the extensions of credit, or c) protect the lender from the risk of non-performance of the extensions of credit, or d) provide the marketing for the extensions of credit, or e) provide the underwriting model for the extensions of credit, or f) take the responsibility for monitoring the risk, including fraud and credit risk, for the provision of the extensions of credit, or g) own the trademark for the name of the extensions of credit or financing.

23. Respondent shall not engage in any unfair, deceptive, or unlawful trade practice prohibited by the District's CPPA, D.C. Code §§ 28-3901, et seq., related to its provision of extensions of credit to Consumers in the District of Columbia.

24. Respondent shall not make any misrepresentation of material fact, which has a tendency to mislead related to its interactions with consumers in the District of Columbia.

25. Respondent shall not fail to state a material fact, the omission of which tends to mislead as it relates to its interactions with consumers in the District Columbia.

**VI. PAYMENT TERMS**

26. Respondent shall pay a total of \$216,548.83 to resolve the District's claims in this matter.

27. Within thirty (30) days of the Effective Date, as defined in paragraph 7 of this Assurance, Respondents shall pay to the District \$60,000 consistent with payment instructions to be provided by the District. The District may use any portion of the funds that it receives for any lawful purposes, including, but not limited to, restitution, attorneys' fees, and other costs of investigation and litigation; placement of this payment in the District's restitution fund or litigation support fund; or for other uses permitted by state law, at the sole discretion of the Attorney General for the District of Columbia. Respondent agrees to cooperate with the District in obtaining any modification to the language of this paragraph needed to facilitate the administration of the District's payment under this paragraph.

28. Respondent will pay restitution due to each Directly Reimbursed Consumer directly to that Consumer. Respondent has calculated this amount to be \$156,548.61 as of May 31, 2023. Respondent will pay the total amount due to Affected Consumers who would receive less than \$10

under this AVC directly to the District, within thirty days of the Effective Date, along with a spreadsheet providing the amounts due to these consumers and name, address and email addresses for these Consumers. This amount, of \$0.22, will be in addition to the \$60,000 set forth in paragraph 26 above. Any money received by the Attorney General pursuant to this paragraph may be used at the Attorney General's discretion for any lawful purpose, including to be placed in or applied to either the District's Litigation Support or Restitution funds.

29. Respondent will reserve the \$156,548.83 in restitution within ten (10) days of the Effective Date of this Assurance, for the purpose of providing refunds, pro rata, to each consumer eligible to receive a restitution payment.

30. Respondent will distribute restitution to Directly Reimbursed Consumers, consisting of the interest paid on their Loan(s) in excess of interest calculated at a 24% APR within sixty (60) business days of the Effective Date of this Assurance.

31. Respondent will first attempt to provide the refunds using the last known automatic payment method linked to the account. Concurrently, with any refunds, Respondent shall send each Directly Reimbursed Consumer via e-mail to the last known e-mail address, a message pre-approved by the District, informing the Consumer about the refund issued in accordance with the terms of this Assurance. The communication to the Consumer will appear in the body of the email and not as an attachment. The District will be copied on these emails through [consumer.protection.easypay@dc.gov](mailto:consumer.protection.easypay@dc.gov). If any e-mail is returned as undeliverable, or Respondent does not have an e-mail address, it shall send the notice via first-class U.S. Mail.

32. If the refund cannot be delivered via these methods, Respondent shall, within seven (7) days of learning that the first attempt was unsuccessful, attempt payment using any second

form of payment linked to the Directly Reimbursed Consumer's account.

33. If the payments described in paragraphs 31-32 are not successful, Respondent will, within seven (7) days of learning that the second attempt was unsuccessful, mail a check to the Consumer's last known address via first class mail. The checks will be accompanied by a letter pre-approved by the District.

34. For any Directly Reimbursed Consumer whose refund payment is returned or whose check is not cashed within 180 days of being issued, Respondent will make reasonable attempts to obtain a current address using standard address-search methodologies and to promptly re-mail all returned checks to current addresses, if any.

35. To the extent that any checks sent to Directly Reimbursed Consumers remain uncashed for 180 days from the mailing, or if the second mailing attempt is returned as undeliverable, Respondent will, within 210 days of the mailing, send the uncashed or undelivered funds to the District, along with a spreadsheet that details the name, address, and email for each Consumer, along with the amount owed to each Consumer. Any money received by the Attorney General pursuant to this paragraph may be used at the Attorney General's discretion for any lawful purpose, including to be placed in or applied to either the District's Litigation Support or Restitution funds.

36. In agreeing to the payment amount above set forth in Paragraph 28, the District has relied upon Respondent's self-audit of Loans. The Parties agree that if that audit has undercounted the amount of restitution due to Affected Consumers it shall constitute a violation of this agreement and Respondent will make its first attempt to pay any additional restitution due directly to any Affected Consumers within one week of notice of the underpayment. Respondent will make two

more attempts in accordance with the methods set forth in paragraphs 31-33 herein. If Respondent is unable to reach the Consumer via email or letter, Respondent will remit the funds and the Consumer's contact information to the District within thirty (30) days of Respondent's last attempt at providing the restitution directly to the Consumer.

## **VII. COLLECTION AND CREDIT REPORTING**

37. Respondent agrees not to collect, attempt to collect or assign any right to collect payment from Defaulted Loans. Respondent shall not sell, assign, or otherwise transfer the Defaulted Loans or any interest therein.

38. Respondent shall, within forty-five (45) business days of the Effective Date of this Agreement, request that the tradelines for Defaulted Loans be deleted from Consumer's credit reporting file with any credit reporting agency where Respondent previously reported the debt.

39. Within forty-five (45) business days of the Effective Date of this Agreement, Respondent shall e-mail a written notice to the last known e-mail address each of the Consumers having Defaulted Loans, except for those Consumers whose accounts have already been discharged in bankruptcy or are the subject of an open bankruptcy case. If any e-mail is returned as undeliverable, or Respondent does not have an e-mail address for the Consumer with a Defaulted Loan, it shall send the notice via first-class U.S. Mail. The notice must be approved by the District in advance of its emailing or mailing by Respondent, and will inform the Consumer with a Defaulted Loan of the following:

- a. Respondent facilitated a Loan to the Consumer;
- b. Respondent has entered into an agreement with the District concerning this Loan;



- c. Respondent has agreed not to collect or attempt to collect any additional payments on this Loan;
- d. Respondent has agreed not to assign or transfer its right to collect payment on this Loan;
- e. Respondent requested deletion of the tradeline for the Loan if it had previously reported it to any credit reporting agency; the credit reporting agencies are not obligated to honor the request and Respondent does not control the timing of any deletion;
- f. Respondent cannot provide any advice on the potential tax consequences of the prohibition on additional collection;
- g. Instructions to contact the District for questions relating to the Order.

### **VIII. REPORTING**

40. Within 180 days of the Effective Date of this Assurance or such later time as agreed to by the District, Respondent will provide the District with a report containing the following information:

- a. the name, address and email for each Affected Consumer who received restitution under this Assurance;
- b. the amount and date of any payments sent to each consumer; and
- c. the payment method.

41. Within 60 days of the Effective Date of this Assurance or such later time as agreed to by the District, Respondent will provide the District with a report containing the following information concerning Defaulted Loans and Credit Reporting:

- a. the name, last known address, and last known contact information for each Consumer with a Defaulted Loan, and
- b. the principal amount of debt outstanding owed on each account as of the date of execution of this agreement, and
- c. the amount that Respondent agreed not to sell, assign, or otherwise transfer, and
- d. whether Respondent requested deletion of tradeline information regarding the Consumer's Loan.

**IX. ADDITIONAL TERMS**

42. This Assurance may be executed in counterparts, and copies of signature pages transmitted electronically shall have the same effect as originals of those signature pages.

43. Respondent shall deliver a copy of this Assurance to each of its current principals, officers, directors, and managers having decision-making authority with respect to the subject matter of this Assurance within thirty (30) days of the Effective Date of this Assurance. Respondent shall deliver a copy of this Assurance to each of its future principals, officers, directors, and managers having decision-making authority with respect to the subject matter of this Assurance within thirty (30) business days of the person assuming that role.

44. Respondent shall deliver a copy of this Assurance to any banks or consumer lenders, including TAB Bank, to which it provides or offers its services.

45. Respondent shall not cause or encourage any third-parties, or knowingly permit third-parties acting on their behalf, to engage in any practices from which Respondent is prohibited by this Assurance.

46. Nothing contained herein shall be construed as relieving Respondent of the obligation to comply with all District laws, regulations or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

47. If there is a substantial change in the District's lending or consumer protection laws after the Effective Date of this agreement, the parties may amend this agreement by consent. If the Parties are unable to agree on an amendment, either Party may apply to the Superior Court of the District of Columbia for modification of this agreement.

48. The Parties understand and agree that this Assurance will not be construed as an approval or sanction by the District of Respondent's business practices, nor will Respondent represent that this Agreement constitutes an approval or sanction of its business practices. The Parties further understand and agree that any failure by the District to take any action in response to information submitted pursuant to this Agreement will not be construed as an approval or sanction of any representations, acts, or practices indicated by such information, nor will it preclude action thereon at a later date.

49. The Parties voluntarily agree to this Assurance without trial or adjudication of any issue of fact or law as a compromise settlement of all claims that the Office of Consumer Protection could have brought, pursuant to D.C. Code § 28-3909, against Respondents related to the factual issues set out in paragraphs 10 through 14.

50. Any breach of the injunctive terms contained in this Assurance shall be considered an unlawful trade practice that violates the CPPA.

51. All notices and reports under this Assurance shall be provided to the following address via first class and electronic mail, unless a different address is specified in writing by the party changing such address:

For the District:

Wendy J. Weinberg  
Senior Assistant Attorney General  
Office of Consumer Protection  
400 6th Street, N.W., 10<sup>th</sup> Floor  
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Wendy.Weinberg@dc.gov

For the Respondent:

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**FOR THE DISTRICT OF COLUMBIA:**

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ADAM TEITELBAUM  
Director, Office of Consumer Protection

/s/

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Margaret Ulle  
Assistant Attorney General

Dated: July 10, 2023

**FOR RESPONDENT**

  
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Mary Jones  
CEO, Duvera Billing Services, LLC, d/b/a EasyPay Finance

Dated: 6/30/2023

  
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Dated: 6/30/23