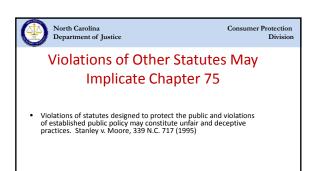


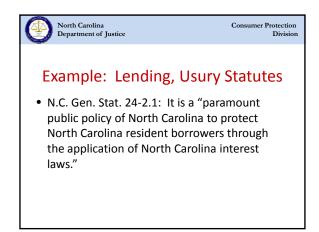


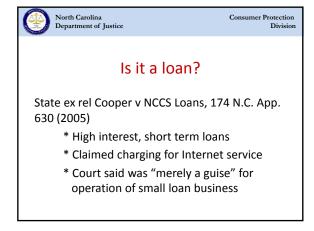
INVESTIGATIVE AUTHORITY OF ATTORNEY GENERAL

- Power to investigate "all corporations or persons in North Carolina doing business in violation of the law."
 N.C.G.S. 75-9
- Power to serve "civil investigative demands" (similar to pre-lawsuit subpoenas) N.C.G.S. 75-10

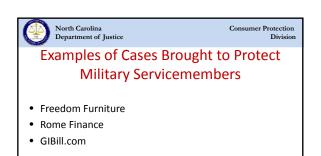






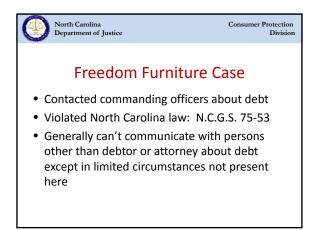


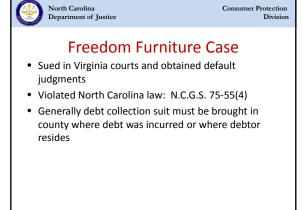


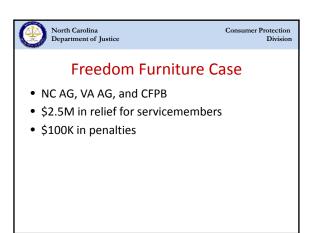






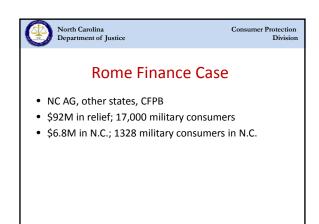








- Financed debts for military consumers' purchases of computers and electronics at SmartBuy (had stores near Fort Bragg and Camp Lejeune)
- SmartBuy charged 2-3 times market price for item and had consumers fill out onerous credit application and financing agreement. Some key terms not properly disclosed.
- High interest rates and fees resulted in bad credit, large debts





- Targeted servicemembers and veterans
- Gave impression that endorsed by military and federal government
- In fact, a private company promoting certain forprofit schools
- Gave impression that certain schools on the website were the only schools that accepted GIBill funds when, in fact, most schools accept such funds





- Brought hard copies
- Can also be found at www.ncdoj.gov
- Contains tips regarding cars, how to avoid scams, info regarding protections for military renters, pre-deployment tips, FAQs, etc.



- previously skirted regs so could impose interest rates over 36% cap
- Applies to payday, auto title, installment loans etc.



- Designed to "eliminate that aspect of the allotment system most prone to abuse by unscrupulous lenders that prey on service members"
- Allotments now can't be used for vehicles, appliances, electronics (laptops, tablets, cell phones, and televisions) and other items

