

LOBBY WATCH

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Pigs at the Trough:

May 2, 2013

Payday-Lender Lobby Unmasked and Disrobed 82 Industry Lobbyists Bill Up to \$4.4 Million

“Jesus went into the temple of God, and cast out all them that sold and bought in the temple, and overthrew the tables of the moneychangers.” —*Matthew 21:12*

“Since you have done it unto one of the least of these my brethren, you have done it unto me.”
—*Matthew 25:20*

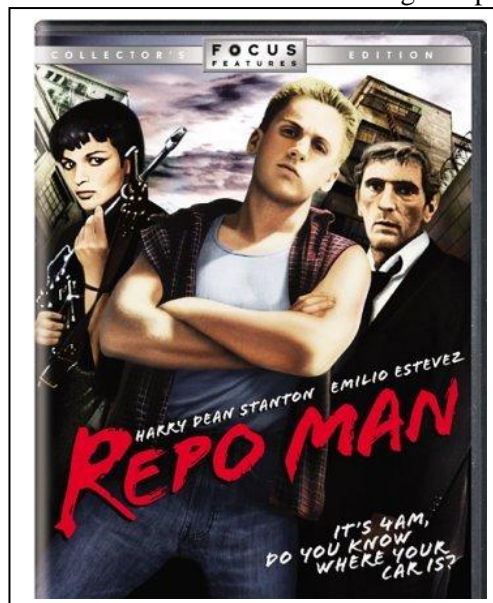
Two dozen predatory-lenders are paying 82 lobbyists up to \$4.4 million to kill meaningful reforms of the nation’s biggest unregulated market. The lavish lobby payments come on the heels of the [\\$4 million](#) that the industry spent on Texas candidates from 2009 through 2012. The industry is fighting as if *usury itself* is on the line.

The industry’s top lobby force is Georgia-based Select Management Resources, headed by Rod Aycox. The District of Columbia sued Aycox’s Loan Max in 2009, alleging that the car-title

lender charged annualized interest rates exceeding 300 percent. Repo man Aycox’s Loan

Max settled the case by refunding cash and returning repossessed cars. In Texas, which does not regulate rates, more than 35,000 Texans lost their cars to these lenders last year.¹

Predatory lenders have pushed lawmakers this session to preempt Texas cities from enforcing ordinances like those of the nation’s capital. Texas’ repeated failure to rein in industry excesses has prompted cities across the state to act on their own.



Predatory Lenders Are Paying Texas Lobbyists Up To \$4.4 Million This Year

Predatory-Lender Client	Value of Contracts	Contract Count	Client Location	Top Texas Lobbyist(s)
Select Management Resources	\$225,000 - \$485,000	10	Alpharetta GA	3-way tie
Advance America	\$200,000 - \$410,000	5	Spartanburg SC	4-way tie
ACE Cash Express, Inc.	\$195,000 - \$400,000	6	Irving	3-way tie
EZCORP, Inc.	\$185,000 - \$345,000	6	Austin	Richard C. Bluntzer
Community Loans of America	\$125,000 - \$290,000	7	Atlanta, GA	Demetrius McDaniel, Lee Woods
TMX Finance/TitleMax	\$150,000 - \$250,000	2	Savannah, GA	Lara Laneri Keel
Consumer Service Alliance of TX	\$175,000 - \$250,000	2	Austin	John Michael Grimes
Cash America International	\$120,000 - \$220,000	7	Fort Worth	Ron E. Lewis
Texas Loan Corp.	\$100,000 - \$200,000	2	Arlington	Trey Blocker, Mario Martinez
TX Assn. of Pawnbrokers	\$100,000 - \$200,000	2	Irving	Carsi Mitzner, Angelo Zottarelli
Cottonwood Financial, Ltd.	\$65,000 - \$190,000	9	Irving	Rene A. Ramirez
Speedy Cash	\$75,000 - \$180,000	5	Wichita KS	John P. Urrabazo
Check Into Cash	\$60,000 - \$145,000	5	Alexandria VA	Jack Erskine, Jr.
Approved Money Center, LLC	\$50,000 - \$120,000	3	Austin	Sabrina Thomas Brown
TX Consumer Finance Assn.	\$50,000 - \$110,000	2	Austin	Robert S. Howden
United Pawnbrokers of TX	\$50,000 - \$100,000	1	San Antonio	N.J. 'Buzz' Robnett
Springleaf Finance Mgmt. Corp.	\$45,000 - \$100,000	3	Evansville IN	Deborah Goodell-Polan
Security Finance Corp.	\$35,000 - \$75,000	2	Austin	Brad T. Shields
Online Lenders Alliance	\$30,000 - \$75,000	3	Washington DC	3-way tie
CAB Consulting and Brokerage	\$25,000 - \$50,000	1	Corpus Christi	Andrew Keefer
Cashmax Title and Loan	\$25,000 - \$50,000	1	Dallas	Kristian Heckman
Financial Service Centers of TX	\$25,000 - \$50,000	1	Texarkana	Burt Solomons
Sun Partners Capitol, LP	\$25,000 - \$50,000	1	Greenville SC	Sid Miller
First Cash Financial Services	\$10,000 - \$45,000	3	Arlington	Thomas 'Trent' Townsend
TOTALS:	\$2,145,000 - \$4,390,000	89		

Note: Data analyze lobby disclosures filed through mid-April 2013.

Aycox spent more than \$215,000 on Texas elections since 2009.² The top recipient of Aycox cash is Speaker Joe Straus, whose chamber now controls the proposed reform bill.

This year Aycox's company is paying 10 lobbyists up to \$485,000. The repo man's top hired guns are Locke Lord lobbyists Yuniedth Midence, Robert Miller and Gardner Pate.

Five other predatory lenders are flexing major muscle. Each of them handed out more than \$100,000 to Texas politicians since 2009 and are now spending maximums of at least \$250,000 apiece on Texas lobbyists this year.

Irving-based Ace Cash Express is paying six lobbyists up to \$400,000 and gave more than \$160,000 to Texas politicians led by Governor Rick Perry. Austin-based EZCORP is paying six lobbyists up to \$343,000 and gave more than \$155,000 to politicians led by Speaker Straus. Atlanta's Community Loans of America is

paying seven lobbyists up to \$290,000; it doled out \$144,000 to Texas politicians led by Straus. Finally, Georgia's TMX Finance paid two lobbyists up to \$250,000 and gave more than \$100,000 to politicians led by Attorney General Greg Abbott.

Texas' No. 1 predatory-loan lobbyist is collecting up to \$200,000 this year from the Consumer Service Alliance of Texas. John Michael Grimes served as an aide to ex-Senator Chris Harris before forming the [Imperium Public Affairs](#) lobby firm (a name invoking the charming Latin term for "absolute power.")

Grimes's Imperium colleagues lobby for three other predatory lenders. Cash America, EZCORP and First Cash Financial Services are paying a total of \$135,000 to Imperium's Jenna Dailey (ex-aide to Senators Craig Estes and Mike Jackson), Marti Johnson (ex-aide to Senator Glenn Hegar) and Trent Townsend (ex-aide to Senators Kim Brimer and Kirk Watson).

All Known Lobbyists Hustling for Predatory Lenders in 2013

Lobbyist	Min. Value of Contracts	Max. Value of Contracts	Contract Count	Top Industry Client(s)
Grimes, John Michael	\$150,000	\$200,000	1	Consumer Service Alliance of TX
Bluntzer, Richard C.	\$100,000	\$150,000	1	EZCORP, Inc.
Keel, Lara Laneri	\$100,000	\$150,000	1	TMX Finance
Lewis, Ron E.	\$100,000	\$150,000	1	Cash America International
Blocker, Trey J.	\$50,000	\$100,000	1	Texas Loan Corp.
Brown, Sabrina Thomas	\$50,000	\$100,000	1	Approved Money Center
Carter Thomas, Gilianne	\$50,000	\$100,000	1	Advance America
Erskine Jr., John 'Jack'	\$50,000	\$100,000	1	Check Into Cash
Howden, Robert S.	\$50,000	\$100,000	1	TX Consumer Finance Assn.
Martinez, Mario A.	\$50,000	\$100,000	1	Texas Loan Corp.
Mathis, James W.	\$50,000	\$100,000	1	Advance America
McDaniel, Demetrius	\$50,000	\$100,000	1	Community Loans of America
Messer, Bill	\$50,000	\$100,000	1	ACE Cash Express
Midence Steen, Yuniedth	\$50,000	\$100,000	1	Select Management Resources
Miller, Robert D.	\$50,000	\$100,000	1	Select Management Resources
Mitzner, Carsi	\$50,000	\$100,000	1	TX Assn. of Pawnbrokers
Norrington II, Eric C.	\$50,000	\$100,000	1	ACE Cash Express
Pate, Gardner	\$50,000	\$100,000	1	Select Management Resources
Phenix, 'Billy' G.	\$50,000	\$100,000	1	EZCORP, Inc.
Reyes, Deborah Ann	\$50,000	\$100,000	1	Advance America
Robnett, N. J. 'Buzz'	\$50,000	\$100,000	1	United Pawnbrokers of TX
Santos, Frank R.	\$50,000	\$100,000	1	Advance America
Schreiber, Rachael L.	\$50,000	\$100,000	1	TMX Finance
Shipowitz, Jay B.	\$50,000	\$100,000	1	ACE Cash Express
Urrabazo, John P.	\$50,000	\$100,000	1	Speedy Cash
Woods, Lee A.	\$50,000	\$100,000	1	Community Loans of America
Zottarelli, Angelo P.	\$50,000	\$100,000	1	TX Assn. of Pawnbrokers
Townsend, 'Trent'	\$30,000	\$75,000	3	Cash America, EZCORP, First Cash
Alexander, Clyde H.	\$25,000	\$50,000	1	Select Management Resources
Bennett, Joey	\$25,000	\$50,000	1	EZCORP, Inc.
Castaneda Jr., Tristan	\$25,000	\$50,000	1	Speedy Cash
Goodell-Polan, Deborah	\$25,000	\$50,000	1	Springleaf Finance Mgmt. Corp.
Heckmann, Kristian	\$25,000	\$50,000	1	Cashmax Title and Loan
Keefer, Andrew	\$25,000	\$50,000	1	CAB Consulting and Brokerage
Lopez, M. Edward	\$20,000	\$50,000	2	ACE Cash Express, Cash America
McCartt, J.	\$25,000	\$50,000	1	Community Loans of America
Miller, Sidney C.	\$25,000	\$50,000	1	Sun Partners Capitol, LP
Norcross, Robert W.	\$25,000	\$50,000	1	Consumer Service Alliance of TX
Ramirez, Rene A.	\$25,000	\$50,000	1	Cottonwood Financial
Shields, Bradford T.	\$25,000	\$50,000	1	Security Finance Corp.
Solomons, Burt	\$25,000	\$50,000	1	Financial Service Centers of TX
Truitt, Vicki	\$25,000	\$50,000	1	ACE Cash Express
Dailey, Jenna	\$0	\$30,000	3	Cash America, EZCORP, First Cash
Johnson, Marti R.	\$0	\$30,000	3	Cash America, EZCORP, First Cash
Campbell, Byron Andrew	\$10,000	\$25,000	1	Select Management Resources
Campbell, James 'Drew'	\$10,000	\$25,000	1	Select Management Resources
Culley, Robert D.	\$10,000	\$25,000	1	Springleaf Finance Mgmt. Corp.
Eppstein, Bryan P.	\$10,000	\$25,000	1	Online Lenders Alliance

Garcia, Michael	\$10,000	\$25,000	1	ACE Cash Express
Johnson, Michael J.	\$10,000	\$25,000	1	Cottonwood Financial
Kelley, Russell T.	\$10,000	\$25,000	1	Cottonwood Financial
Leo, Myra	\$10,000	\$25,000	1	Check Into Cash
Lewis, Gibson D.	\$10,000	\$25,000	1	Cottonwood Financial
McGarah, Carol	\$10,000	\$25,000	1	Cottonwood Financial
Partida, Neftali	\$10,000	\$25,000	1	Select Management Resources
Paxton, William	\$10,000	\$25,000	1	Online Lenders Alliance
Perez Capitaine, Jenny	\$10,000	\$25,000	1	Select Management Resources
Polan, Kraege	\$10,000	\$25,000	1	Springleaf Finance Mgmt. Corp.
Reeves, Timothy J.	\$10,000	\$25,000	1	Online Lenders Alliance
Sellers, Jennifer E.	\$10,000	\$25,000	1	Select Management Resources
Shields II, Brad	\$10,000	\$25,000	1	Security Finance Corp.
Beggs, April	\$0	\$10,000	1	Community Loans of America
Engram, Max B.	\$0	\$10,000	1	Community Loans of America
Eschberger, Brenda	\$0	\$10,000	1	Cottonwood Financial
Findley, Brett	\$0	\$10,000	1	Speedy Cash
Ford, Victoria C.	\$0	\$10,000	1	Check Into Cash
Galant, Carl	\$0	\$10,000	1	TX Consumer Finance Assn.
Henry, Kate Howard	\$0	\$10,000	1	Approved Money Center
Jones Jr., Neal T. 'Buddy'	\$0	\$10,000	1	Community Loans of America
Kemptoner, Sara	\$0	\$10,000	1	Cottonwood Financial
McCauley, Cindy A.	\$0	\$10,000	1	Approved Money Center
McGinnis, Larry D.	\$0	\$10,000	1	Check Into Cash
Peeler Jr., William Robert	\$0	\$10,000	1	Speedy Cash
Sepulveda, Gabriel G.	\$0	\$10,000	1	Advance America
Smith Jr., Walter B.	\$0	\$10,000	1	Select Management Resources
Solis, Eddie	\$0	\$10,000	1	Community Loans of America
Stewart, Michael K.	\$0	\$10,000	1	Speedy Cash
Taylor, Gregory	\$0	\$10,000	1	Cottonwood Financial
Waldon, Barbara	\$0	\$10,000	1	Cottonwood Financial
Erskine, Candis B.	\$0	\$0	1	Check Into Cash
Garibay, Cruz Giovanni	\$0	\$0	1	Cash America International
Vaughn, Alex K.	\$0	\$0	1	Cash America International
TOTALS:	\$2,145,000	\$4,390,000	89	

Note: Data analyze lobby disclosures filed through mid-April 2013.

Three senators who groomed these future payday lobbyists recently voted on the Senate's [surprisingly strong predatory-loan reform bill](#).³ Senators Craig Estes and Glenn Hegar voted to kill the reforms. Senator Kirk Watson, who initially promoted minimalist regulations, helped to pass the tough reform bill in the end.⁴

Three top predatory-loan lobbyists are billing up to \$150,000 this year. Lara Laneri Keel is humping for auto-title lender TMX Finance (AKA TitleMax). Keel married current Texas State Auditor John Keel. Austin's EZCORP has

lavishly retained Richard Bluntzer, a former head of the Public Strategies lobby firm. And ex-lawmaker Ron Lewis is billing Fort Worth-based Cash America up to \$150,000 this year.

Predatory lenders also are paying eight former lawmakers to lobby their ex-colleagues to kill meaningful reforms (three of these lobbyists were in the House mere months ago).⁵ The eight ex-lawmakers (listed on the next page) account for 10 percent of the industry's 82 lobbyists. They are pocketing 12 cents of every lobby dollar spent by predatory lenders.

Ex-Lawmakers Working the Predatory-Loan Lobby

Revolving-Door Lobbyist	Predatory Client in 2013	Maximum Pay
Ron E. Lewis	Cash America International	\$150,000
Bill Messer	ACE Cash Express	\$100,000
N. 'Buzz' Robnett	United Pawnbrokers of TX	\$100,000
Sidney C. Miller	Sun Partners Capitol, LP	\$50,000
Burt Solomons	Financial Service Centers of TX	\$50,000
Vicki Truitt	ACE Cash Express	\$50,000
Gib D. Lewis	Cottonwood Financial	\$25,000
Neal 'Buddy' Jones	Community Loans of America	\$10,000
TOTAL:		\$535,000

Of the 16 states that fail to regulate predatory lenders, Texas is by far the fattest bonanza. The predatory lenders who have given \$4 million to Texas politicians in recent years are spending up to \$4.4 million on lobbyists this session to keep the staggering profits flowing. The cowing, legislative deference that this money commands has sparked unusually blunt statements about lawmakers selling themselves to special interests.

Apologizing in early April for the modesty of the reforms he initially proposed, powerful Senator John Carona confessed that Texas

legislators work for the special interests that pay their bills. "This is the only version that will pass this session," Carona said. "I am convinced the industry has given as far as it intends to go."⁶

This month Texas House members will decide whom they most represent. Is it the more than 35,000 Texans who had their vehicles repossessed by predatory lenders last year? Or is it the two dozen, mostly out-of-state predatory PACs and executives who gave current House members more than \$1.3 million?

What sayeth thou, Mr. Speaker?

Notes

¹ "Bill Won't Stop Cycle of Payday, Auto Title Loans," Joe Sanchez, AARP Texas, *Austin American-Statesman*, April 12, 2013.

² "[Payday Lender Political Donors Hidden in Corporate Names](#)," *Bloomberg*, March 21, 2012. Aycox also contributed \$200,000 last year to Mitt Romney's Restore Our Future Super PAC. The contributions followed President Obama's recess appointment of Richard Cordray as director of the Consumer Financial Protection Bureau, which oversees payday lenders.

³ A fourth senator, Mike Jackson, was absent during that vote.

⁴ "[Payday Loan Industry Divides and Conquers at Capital](#)," *Texas Observer*, April 16, 2013.

⁵ These lawmaker-lobby retreats are Sid Miller, Burt Solomons and Vicki Truitt.

⁶ "Van de Putte: Payday Loan Law Still Too Weak," *San Antonio Express-News*, April 2, 2013.