

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

UNITED STATES OF AMERICA,

Plaintiff,

v.

NATIONWIDE NEVADA, LLC, f/k/a
NATIONWIDE NEVADA L.P., and
NAC MANAGEMENT CORP.,

Defendants.

Civil Action No. _____

COMPLAINT

Plaintiff, United States of America, for its Complaint against Defendants Nationwide Nevada, LLC, formerly known as Nationwide Nevada L.P., and NAC Management Corp. (jointly hereinafter “the Defendants”), alleges:

1. The United States brings this action to enforce provisions of the Equal Credit Opportunity Act, 15 U.S.C. §§ 1691-1691f (“ECOA”), and its implementing regulations located at 12 C.F.R. Part 202 (“Regulation B”).

2. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1345 and 15 U.S.C. § 1691e(h), and venue is appropriate pursuant to 28 U.S.C. § 1391(b) and (c).

3. Defendant Nationwide Nevada, LLC, formerly known as Nationwide Nevada, L.P. (hereinafter “Nationwide Nevada”), was at the time of allegations in this Complaint an Illinois limited partnership and is now an Illinois limited liability company with its principal place of business in Las Vegas, Nevada. Nationwide Nevada’s business involves automobile retail sales financing through automobile dealerships located in Utah and Nevada. Nationwide

Nevada's business is in the area of sub-prime automobile loans.

4. Defendant N.A.C. Management Corp. (hereinafter "NAC"), is an Illinois corporation, headquartered in Chicago, Illinois. NAC is a finance company that owns and manages operating companies throughout the country involved in sub-prime automobile retail sales financing, personal loans and collection services. NAC is the sole general partner for Nationwide Nevada and assists in managing its operations.

5. The Defendants are creditors as defined by ECOA, 15 U.S.C. § 1691a(e), and Regulation B, 12 C.F.R. § 202.2(1).

6. Nationwide Nevada conducts its financing business in the states of Nevada and Utah – and occasionally neighboring states – through contractual relationships with individual automobile dealerships in those states. The contracts set forth the conditions under which Nationwide Nevada purchases auto loans from each dealership. Under the dealer contracts, Nationwide Nevada has the discretion to reject purchases of automobile loans from the dealer to the extent that such loans do not meet Nationwide Nevada's underwriting and documentation requirements.

7. Nationwide Nevada has a policy of using a judgmental system for evaluating which contracts to purchase from automobile dealers and the price to be paid to the dealer for the contract. Nationwide Nevada does not use uniform underwriting guidelines and procedures for evaluating which loans it purchases. At least during the time of the allegations in the Complaint, Nationwide Nevada disseminated information to the public which emphasized that the company's underwriting policies had no "hard and fast rules" and that decisions were made quickly.

8. Between at least January 2003 and July 2005, Nationwide Nevada refused to purchase contracts from automobile dealers when Nationwide Nevada's underwriters believed that an applicant and/or co-applicant resided on an Indian reservation. Nationwide Nevada denied loans to applicants who resided on at least 15 different Indian reservations in Nevada, Utah, Arizona, California and Oregon. This policy and practice was not justified by legitimate business considerations.

9. The Defendants' actions as alleged herein constitute discrimination against applicants with respect to credit transactions on the basis of race, color or national origin in violation of the Equal Credit Opportunity Act, 42 U.S.C. Equal Credit Opportunity Act, 15 U.S.C. § 1691(a)(1).

10. The Defendants' policies and practices as alleged herein constitute a pattern or practice of resistance to the full enjoyment of rights secured by the Equal Credit Opportunity Act, 15 U.S.C. § 1691e(h).

11. Persons who have been victims of the Defendants' pattern or practice of discrimination are aggrieved applicants under ECOA, 15 U.S.C. § 1691e, and have suffered injury and damages as a result of the Defendants' conduct.

12. The discriminatory policies and practices of the Defendants as described herein were intentional and willful and were implemented with reckless disregard for the rights of American Indian persons.

WHEREFORE, the United States prays that the Court enter an ORDER that:

(1) Declares that the policies and practices of the Defendants constitute a violation of the Equal Credit Opportunity Act, 15 U.S.C. §§ 1691-1691f;

(2) Enjoins the Defendants, their agents, employees, and successors, and all other persons in active concert or participation with the Defendants, from:

- (a) discriminating on account of race, color or national origin in any aspect of their business practices;
- (b) failing or refusing to take such affirmative steps as may be necessary to place, as nearly as practicable, the victims of the defendant's unlawful practices to the position they would have been in but for the discriminatory conduct;
- (c) failing or refusing to take such affirmative steps as may be necessary to prevent the recurrence of any discriminatory conduct in the future and to eliminate, to the extent practicable, the effects of the Defendant's unlawful practices; and

(3) Awards monetary damages to all the victims of the Defendant's discriminatory policies and practices for the injuries caused by the Defendants, pursuant to 15 U.S.C.

§ 1691e(h).

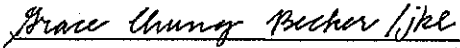
The United States further prays for such additional relief as the interests of justice may require.

GREGORY A. BROWER
United States Attorney

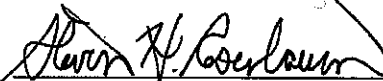


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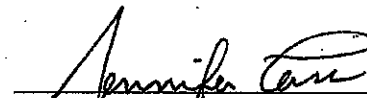
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