

**UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

<b>In the Matter of:</b> Advance America, Cash Advance Centers, Inc. Agent and Bank Service Provider for:  Peoples National Bank Paris, Texas	) ) ) ) ) ) )	AA-EC-03-01
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**CONSENT ORDER**

Advance America, Cash Advance Centers, Inc., and its subsidiaries (“Advance America”), by and through its duly elected and acting Chief Executive Officer has executed a “Stipulation and Consent to the Issuance of a Consent Order” dated January 29, 2003, that is accepted by the Comptroller of the Currency (“Comptroller” or “OCC”). By this Stipulation and Consent, which is incorporated by this reference, Advance America has consented to the issuance of this Consent Order (“Order”) by the Comptroller.

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(b), the Comptroller hereby orders that:

**ARTICLE I**

**CESSATION OF PAYDAY LENDING**

(1) Beginning no later than February 1, 2003, and on an ongoing basis thereafter, Advance America shall notify all applicants seeking to originate, renew or rollover any short-term consumer loan made by Peoples National Bank, Paris, Texas (“Bank”), hereinafter referred to as “Bank Payday Loans,” in North Carolina that Advance America will no longer provide

services related to the origination, renewal and rollover of Bank Payday Loans on or after February 28, 2003, in North Carolina.

(2) Not later than February 28, 2003, Advance America shall cease providing any services to the Bank related to the origination, renewal or rollover of Bank Payday Loans in North Carolina, and shall have terminated that certain Marketing and Servicing Agreement between it and the Bank, dated as of September 11, 2001.

(3) Beginning no later than March 1, 2003, and on an ongoing basis thereafter, Advance America shall notify all applicants seeking to originate, renew or rollover any Bank Payday Loan in Pennsylvania that Advance America will no longer provide services related to the origination, renewal and rollover of Bank Payday Loans on or after March 31, 2003, in Pennsylvania.

(4) Not later than March 31, 2003, Advance America shall cease providing any services to the Bank related to the origination, renewal or rollover of Bank Payday Loans in Pennsylvania, and shall have terminated that certain Marketing and Servicing Agreement between it and the Bank, dated as of February 22, 2001.

(5) Notwithstanding paragraphs (1) and (2) of this Article, Advance America may continue to provide services to the Bank related to the servicing and collection of Bank Payday Loans originated, renewed or rolled over on or before February 28, 2003 in North Carolina; provided that, the due date is not extended for more than five (5) days, and no new funds are advanced on any Bank Payday Loan on or after February 28, 2003.

(6) Notwithstanding paragraphs (3) and (4) of this Article, Advance America may continue to provide services to the Bank related to the servicing and collection of Bank Payday Loans originated, renewed or rolled over on or before March 31, 2003; provided that, the due

date is not extended for more than five (5) days, and no new funds are advanced on any Bank Payday Loan on or after March 31, 2003.

## ARTICLE II

### FUTURE ACTIVITIES

(1) Effective immediately, Advance America shall not enter into any agreement, written or oral, to provide services to any national bank or to any subsidiary of a national bank, including but not limited to the marketing, origination, servicing or collection of payday loans offered through a national bank or subsidiary thereof, without first obtaining the prior written determination of no objection from the OCC.

(2) Any request to obtain a prior written determination of no objection, as required by paragraph (1) of this Article, shall:

- (a) be made at least ten (10) business days prior to entering into any agreement referenced in paragraph (1) of this Article;
- (b) be made in writing to the Director of Special Supervision/Fraud, Office of the Comptroller of the Currency, 250 E Street, Washington, DC 20219;  
and
- (c) include a full and complete description of the services to be performed by Advance America, the name(s) of the national bank(s) and/or subsidiary(ies) for which the services will be provided, and a copy of any draft contract(s) governing the relationship between Advance America and such national bank(s) and/or subsidiary(ies).

(3) The Director of Special Supervision/Fraud will respond to any written request pursuant to paragraphs (1) and (2) of this Article within ten (10) business days, provided that the

ten-day period shall not commence until Advance America has complied with paragraph 2(c) and the Director has notified Advance America in writing that the request is deemed to be complete.

### ARTICLE III

#### ACCESS TO INFORMATION

(1) Effective immediately and continuing for so long as this Order remains outstanding, Advance America agrees that it will cooperate with the OCC in responding to reasonable requests for documents and information in its possession, custody and control relating to its contractual agency relationship with the Bank, and will cooperate in making its officers and employees reasonably available to the OCC for interviews and testimony.

### ARTICLE IV

#### CLOSING

(1) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting Advance America or any national bank (or subsidiary or affiliate thereof), except as set forth elsewhere herein (including the Stipulation and Consent) nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(2) Any time limitations imposed by this Order shall begin to run from the effective date of this Order. Such time limitations may be extended in writing by the Director for Special Supervision/Fraud for good cause upon written application by Advance America.

(3) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain

effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived or terminated in writing by the Comptroller.

(4) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(5) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements or arrangements or negotiations between the parties, whether oral or written.

IT IS SO ORDERED, this 29<sup>th</sup> day of January, 2003.

*/s/ Ronald G. Schneek*  
*for*

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David D. Gibbons  
Deputy Comptroller for Special Supervision

**UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

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**In the Matter of:** )  
Advance America, Cash Advance Centers, Inc. )  
Agent and Bank Service Provider for: )  
Peoples National Bank )  
Paris, Texas )

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AA-EC-03-01

**STIPULATION AND CONSENT TO THE ISSUANCE  
OF A CONSENT ORDER**

The Comptroller of the Currency of the United States of America (“Comptroller”) is contemplating the initiation of an action pursuant to 12 U.S.C. § 1818 directing Advance America, Cash Advance Centers, Inc., and its subsidiaries (“Advance America”), to terminate its contractual relationships with Peoples National Bank, Paris, Texas, (“Bank”).

Advance America wishes to cooperate with the Comptroller and, accordingly, consents to the issuance of a Consent Order, dated January 29, 2003 (“Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and Advance America, through its duly elected and acting Chief Executive Officer, hereby stipulate and agree to the following:

ARTICLE I

Jurisdiction

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.* Accordingly, the Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) Advance America's performance of services for the Bank is subject to regulation and examination by the OCC to the same extent as if such services were being performed by the Bank itself on its own premises, pursuant to 12 U.S.C. § 1867(c).

(3) Advance America is an agent of the Bank and is an "institution-affiliated party" of the Bank as that term is defined in 12 U.S.C. § 1813(u)(1).

(4) The Office of the Comptroller of the Currency ("OCC") is "the appropriate Federal banking agency" regarding Advance America pursuant to 12 U.S.C. § 1813(q). Therefore, Advance America is subject to the authority of the OCC to initiate and maintain a cease and desist proceeding pursuant to 12 U.S.C. §§ 1818(b), and 1867(c).

## ARTICLE II

### Agreement

(1) Advance America, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Order by the Comptroller.

(2) Advance America agrees that the Order shall be deemed an "order issued with the consent of the . . . institution-affiliated party" as that phrase is used in 12 U.S.C. § 1818(h)(2) and further agrees that this Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i). Notwithstanding the absence of mutuality of obligation, or of consideration or of a contract, the Comptroller or his designee may enforce any of the commitments or obligations herein or within the Order undertaken by Advance America under its supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. Advance America expressly acknowledges that neither Advance America nor the Comptroller has any intention to enter into a contract.

(3) Advance America also expressly acknowledges that no officer or employee of the OCC has statutory or other authority to bind the United States, the U.S. Treasury Department, the OCC, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the OCC's exercise of its supervisory responsibilities.

### ARTICLE III

#### Waiver

- (1) By executing the Order, Advance America waives:
- (a) the right to the issuance of a Notice under 12 U.S.C. § 1818(b);
  - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(b) and 12 C.F.R. Part 19;
  - (c) all rights to seek judicial review of the Order;
  - (d) all rights in any way to contest the validity of the Order; and
  - (e) any and all claims for fees, costs or expenses against the Comptroller or any of his agents or employees, related in any way to this enforcement matter or the Order, whether arising under common law or under the terms of any statute including but not limited to the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412.

(2) It is hereby agreed that the provisions of the Order constitute a full settlement and final disposition of the action contemplated by the Comptroller. The Comptroller agrees not to institute further proceedings for any acts, omissions or violations that occurred prior to the date of the Order.

(3) It is further agreed that the provisions of the Order shall not be construed as an adjudication on the merits.



(4) Advance America understands that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of the Order, and that nothing herein constitutes, nor shall Advance America contend that it constitutes, a waiver of any right, power or authority of any other representatives of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

(5) Nothing in this Stipulation and Consent or the Order shall be construed to be and is not intended to imply an admission or denial by Advance America as to any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with the Order constitute or be construed as an admission or denial by Advance America of any fact, finding, conclusion, issue of law, or violation of law. Advance America's agreement to terminate its certain Marketing and Servicing Agreements with the Bank pursuant to this Stipulation and Consent and the Order does not constitute an admission or denial with respect to Advance America's activities prior to the effective date of the Order.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

*Ronald G. Schneck*  
*for*

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David D. Gibbons  
Deputy Comptroller for Special Supervision

*1/29/03*

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Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Chief Executive Officer of Advance America, has hereunto set his hand on behalf of Advance America.

Signed

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William M. Webster, IV  
Chief Executive Officer  
Advance America, Cash Advance Centers, Inc.

January 24, 2003

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Date