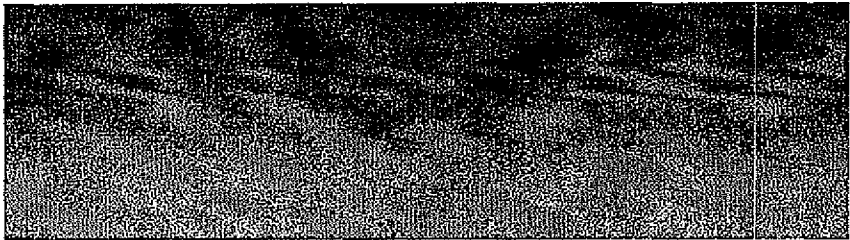


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DISTRICT COURT
CLARK COUNTY, NEVADA
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CLERK OF THE COURT

CASANDRA HARRISON, et al.	.	
	.	
Plaintiffs	.	CASE NO. A-624982
	.	
vs.	.	
	.	DEPT. NO. XI
PRINCIPAL INVESTMENTS, INC.,	.	
et al.	.	
	.	Transcript of
Defendants	.	Proceedings
	.	

BEFORE THE HONORABLE ELIZABETH GONZALEZ, DISTRICT COURT JUDGE

HEARING ON MOTIONS

TUESDAY, OCTOBER 12, 2010

APPEARANCES:

FOR THE PLAINTIFFS:	DAN I. WULZ, ESQ.
	JENNIFER DORSEY, ESQ.
	J. RANDALL JONES, ESQ.

FOR THE DEFENDANTS:	MARK S. DZARNOSKI, ESQ.
	MARTIN BRYCE, ESQ.

COURT RECORDER:

JILL HAWKINS
District Court

TRANSCRIPTION BY:

FLORENCE HOYT
Las Vegas, Nevada 89146

Proceedings recorded by audio-visual recording, transcript
produced by transcription service.

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CLERK OF THE COURT

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1 LAS VEGAS, NEVADA, TUESDAY, OCTOBER 12, 2010, 9:15 A.M.

2 (Court was called to order)

3 THE COURT: Oh. Good. My case I have to make
4 disclosures on.

5 Mr. Jones, I was on the phone with Mr. Jones your
6 brother and Mr. Peek and Mr. Campbell, and I apologize for
7 being late.

8 MR. JONES: Your Honor, I understand.

9 THE COURT: All right. Here's my disclosures on
10 this case. Or at least I think they relate to this case.
11 This is Case Number A-624982. I used to be chairman of the
12 board of Clark County Legal Services before I was a judge.
13 And I think, Mr. Dzarnoski, you called me about issues related
14 to this case and who you should talk to within the court
15 system.

16 MR. DZARNOSKI: Spoke with Judge Togliatti.

17 THE COURT: And I sent you somewhere else. Or did
18 she call me and say who I should send you to?

19 MR. DZARNOSKI: I spoke with Judge -- I spoke with
20 -- I spoke with Judge Ritchie.

21 THE COURT: Okay.

22 MR. DZARNOSKI: Judge Ritchie asked Judge Togliatti
23 to call me, and I spoke with Judge Togliatti. I never spoke
24 with you, Your Honor.

25 THE COURT: My note says I can't remember if I

1 actually talked to you or Jenna or Melissa asked me who you
2 should talk to.

3 MR. DZARNOSKI: You did not speak with me.

4 THE COURT: Okay. I was on vacation when some of
5 the issues related to these kind of things occurred, and as
6 presiding civil judge I delegated an administrative
7 investigation on this to Judge Togliatti, who was acting as
8 presiding civil judge at that time. She reported on the
9 results of her investigation, which was mainly how many cases
10 did we have in District Court that were affected by the
11 process server issue at a civil judges meeting. And when I
12 was recruiting attorneys to do pro bono, I think at Jones
13 Vargas, I asked Barbara Buckley if they were filing a class
14 action, and she said yes.

15 And then I also have a disclosure about John Gutke,
16 who I think now works for your firm and used to be my law
17 clerk.

18 MR. DZARNOSKI: He does work for our firm.

19 THE COURT: Okay. Those are all my disclosures.

20 MR. DZARNOSKI: May I have a moment to speak with --

21 THE COURT: You may have a moment.

22 MR. DZARNOSKI: -- my client representative?

23 THE COURT: And by the way, I don't think that
24 anything that I just told you would cause me not to be fair,
25 which is why I didn't disqualify myself. But I went through

1 the list for you.

2 MR. DZARNOSKI: Thank you.

3 (Pause in the proceedings)

4 MR. DZARNOSKI: None of those disclosures cause us
5 concern, Your Honor.

6 THE COURT: All right. Then let's start with your
7 motion to compel arbitration and stay all proceedings.

8 MR. DZARNOSKI: May I as a preliminary matter
9 introduce Mr. Martin Bryce from Ballard Spar.

10 MR. BRYCE: Good morning, Your Honor.

11 THE COURT: Good morning.

12 MR. DZARNOSKI: And I tried to get an order
13 shortening time on admitting him pro hac vice. We have
14 circulated it to opposing counsel. If they would not object,
15 I have an order.

16 THE COURT: Is there any objection?

17 MR. JONES: No objection, Your Honor.

18 THE COURT: I'd be happy to sign your order, Mr.
19 Dzarnoski. And I'm sorry, but I got it yesterday and I
20 couldn't set it for today because I didn't have a day's
21 judicial notice.

22 MR. DZARNOSKI: I understand. We tried Friday, and
23 you were in trial or something.

24 THE COURT: I'm always in trial. There you go.

25 MR. DZARNOSKI: Thank you, Judge.

1 THE COURT: All right. It's your motion.

2 MR. DZARNOSKI: Again good morning, Your Honor.

3 Let me start with the observation that I'm fully
4 aware that you have ruled on far more arbitration clauses than
5 I'm ever going to read in my lifetime. That said, my review
6 of the current arbitration agreement that Rapid Cash is using
7 is that it's probably the most consumer-friendly arbitration
8 provision I've ever seen, and I'm hoping that you also believe
9 that.

10 Insofar as I am aware, the two most recent cases
11 that have sort of bubbled through our District Court system
12 that involve arbitration clauses and class action waivers were
13 before you and were before Judge Denton. You compelled
14 arbitration in an -- for an arbitration clause containing a
15 class action waiver in the Nissan Motors case in October of
16 2008. Judge Denton compelled arbitration in the Hyundai
17 Motors case about a week after your decision, and that has
18 been sent up to the Nevada Supreme Court on a writ of mandamus
19 and is currently pending before the Supreme Court of the State
20 of Nevada.

21 THE COURT: For almost two years.

22 MR. DZARNOSKI: Yes. I had the opportunity last
23 night to read the supplemental briefs that have recently been
24 filed in that case, and I would first like to bring your
25 attention to the fact that the Nevada Supreme Court is acutely

1 aware of two recent United States Supreme Court cases that are
2 at issue or are relevant to this case. And one is Stolt-
3 Nielsen. Excuse me for turning my back, Your Honor.

4 THE COURT: It's all right, Mr. Dzarnoski. I know
5 there's a lot of paperwork that you probably need to get.

6 MR. DZARNOSKI: The second is Rent-A-Center West,
7 Inc. v. Jackson. And the Nevada Supreme Court had asked most
8 recently for supplemental briefs in light of those two cases
9 for the parties to brief whether or not the District Court
10 would have jurisdiction to hear claims regarding the validity
11 and enforceability of arbitration agreements if the
12 arbitration agreement provides that that should go forward and
13 be decided by an arbitrator.

14 THE COURT: Can I ask a question, though, to sort of
15 cut to the chase here.

16 MR. DZARNOSKI: Yes, Your Honor.

17 THE COURT: I agree with you that this is a very
18 well-written arbitration clause, and the right to reject
19 arbitration provision is probably one that would generally
20 make this clause valid.

21 My question is, though, given the filing of the
22 litigation by Rapid Cash and its related entities, don't you
23 think there has been a waiver of the arbitration provision
24 given the wording that is contained in it?

25 MR. DZARNOSKI: No, Your Honor.

1 THE COURT: Tell me why.

2 MR. DZARNOSKI: Yes, Your Honor. First, I believe
3 that the issue of waiver, again, would be decided by the
4 arbitrator, rather than before this Court. That goes to the
5 issue of the validity, the enforceability, and the scope of
6 the arbitration agreement. Those are covered clearly and
7 unambiguously in both the older version of the arbitration
8 agreement and the current version of the arbitration
9 agreement. So that issue I don't even think is before you.
10 So I think an arbitrator would be the one to decide whether
11 there's been a waiver. But let's dispense with that for a
12 moment and let me answer the question.

13 The old agreement specifically excludes from the
14 definition of claims those things that were filed in the Small
15 Claims Court, reserves the right for the parties to file
16 actions in Small Claims Court. The newer version of the --
17 I'll call it the state-of-the-art arbitration agreement
18 specifically indicates again that those cases can be filed in
19 Small Claims Court, and it contains the language that there is
20 no waiver that should be inferred or implied from filing the
21 cases.

22 And let me look at the exact language in here.
23 Quote, "Even if the parties have elected to litigate a claim
24 in court, you or we may elect arbitration with respect to any
25 claim made by a new party or any new claim asserted in that

1 lawsuit, and nothing in that litigation shall constitute a
2 waiver of any rights under this arbitration provision."

3 So therefore we have a clear statement that there's
4 no waiver by filing of a Small Claims Court action. Does that
5 answer your question?

6 THE COURT: Not really. But I understand the
7 position.

8 MR. DZARNOSKI: Okay. May I ask, though, and cut to
9 the chase, why is it the language isn't sufficient?

10 THE COURT: I think here you have claims that go
11 beyond -- I'm sorry, litigation claims in this complaint that
12 go beyond what could be argued would be subject to an
13 arbitration provision especially given the manner in which at
14 least one of the codefendants, who apparently has now been
15 convicted, conducted himself.

16 MR. DZARNOSKI: Well, I --

17 THE COURT: So I certainly think that it is
18 problematic for your client to try and enforce an arbitration
19 provision that is brought as a result of a discovery of
20 problems with process in the other actions that they chose to
21 litigate despite the arbitration provision and the definition
22 of claim.

23 MR. DZARNOSKI: Well --

24 THE COURT: Because the arbitration provision says
25 -- it sets forth when and how claims "which you or we have

1 against one another will be arbitrated instead of litigated in
2 court." Okay. That's great. Your guys picked litigation.
3 Even if it's in Small Claims, and I assume the argument the
4 argument under the newer definition, that means that you don't
5 get to -- you get to not have a waiver. But given some of the
6 other conduct that's alleged, it is of concern to me as to
7 whether I should determine that is a waiver of the provision
8 because of at least the nature of what went on in these very
9 unusual circumstances and the unusual nature of the claims in
10 this particular case.

11 MR. DZARNOSKI: Thank you for that clarification.

12 THE COURT: Do you understand what I'm saying?

13 MR. DZARNOSKI: I do.

14 THE COURT: Because this complaint isn't just, we
15 don't owe the money, or, we were forced to -- or executed this
16 agreement for payday loan or whatever it's called under
17 duress. This isn't -- that's not what this case is about.
18 This case is a lot bigger than that.

19 MR. DZARNOSKI: Absolutely much bigger than that.
20 However -- and let me respond in two ways. One, I think that
21 the issue you're bringing up now is different than the issue
22 of waiver. The case of Stolt-Nielsen, for instance, makes it
23 very clear that under the Federal Arbitration Act the parties
24 are free and the United States Supreme Court will allow
25 parties to define anything they want to arbitrate. I mean,

1 they could specifically identify this, this, this, and this
2 that they want to arbitrate and exclude that. And when they
3 have done that and they have specifically put the things that
4 are included in the arbitration and they have excluded other
5 claims from the arbitration agreement, then the agreement of
6 the parties will be enforced. And you wouldn't have a waiver
7 situation if you have carved out a specific portion of claims
8 that you are not going to arbitrate. So you don't have the
9 issue of waiver. That's what we've done here.

10 But the other issue, more directly to what you are
11 speaking of, is that, again, in the definition of "claims"
12 under both agreements the claims involve -- include a broad
13 array --

14 THE COURT: Yeah, it does.

15 MR. DZARNOSKI: -- of matters, one of which is
16 specifically included "disputes arising out of collection of
17 any amounts you owe."

18 THE COURT: And that's small Arabic (5) -- or, I'm
19 sorry, small Roman (v).

20 MR. DZARNOSKI: That's in the new arbitration
21 agreement under "Definition of Claim."

22 THE COURT: And it's under "Meaning of Claims,"
23 small Roman (v).

24 MR. DZARNOSKI: That would be under the old
25 arbitration agreement, correct. So we have a specific

1 reference to anything that derives in both of them out of
2 collection efforts. There is -- I don't see any way you can
3 get around looking at this as the filing of a Small Claims
4 Court matter that is excluded from the definition of claims
5 for arbitration is not part of the collection effort that
6 Rapid Cash has undertaken in order to get its money.

7 So we are specifically dealing with all claims that
8 might arise out of the collection issues with respect to both
9 agreements. And therefore, even though it involves failure to
10 serve process, it still derives out of those collection
11 claims. And keep in mind that every one of those parties or
12 persons who claim -- although right now we have four, let's
13 keep that in mind, we don't have a massive amount of people
14 who have claimed that they have not been served process. The
15 conviction that you just referred doesn't have anything to do
16 with Rapid Cash customers. None of those victims that were
17 subject to the criminal prosecution came from Rapid Cash's
18 customers. That dealt solely with a collection agent, and I
19 can't remember the collection company -- Richland Holdings, I
20 believe. So we have four people that are sitting here. All
21 four of those people could file a 60(b) motion to set aside
22 their default judgment in Small Claims Court and proceed. And
23 all four of those, as a matter of fact, could choose
24 arbitration if they wanted to. They could make a filing and
25 choose arbitration on their own. But --

1 THE COURT: And do you think the County Commission
2 is going to approve the master that Justice Court asked for to
3 assist with that process?

4 MR. DZARNOSKI: Your Honor, I -- you mentioned that
5 I have discussed with Judge Togliatti, and I'm not certain I
6 should make that the request as to what I --

7 THE COURT: I don't -- yeah. Okay. I just know
8 that there's something on the County Commission agenda about a
9 master for Justice Court dealing with it.

10 MR. DZARNOSKI: And believe me, Your Honor, Rapid
11 Cash is ready, willing, and able to assist the County and
12 anybody else to try and resolve all of these claims.

13 Now, I would also like to point out, though, Your
14 Honor, in terms of the first arbitration agreement -- because
15 we -- you have to look at the terms of both.

16 THE COURT: Okay.

17 MR. DZARNOSKI: In the older arbitration agreement
18 clearly the issue of falsification of affidavits would fall
19 under the definition of claims, because the definition of
20 claims is "Any claim, dispute, or controversy between you and
21 us that arises from or relates in any way to service --" oh.
22 I'm sorry. This is -- this is the new one. Let me get to the
23 old one. Lots of paper.

24 "Claims means any and all claims, disputes, or
25 controversies that arise under common law, federal or state

1 statute or regulation, or otherwise." Doesn't say, in
2 connection with this agreement. It doesn't say that are
3 limited to collection matters. There's no limitation
4 whatsoever. It is broad and covers every single claim or
5 dispute that arises under common law or under statute.

6 Every claim that the plaintiffs have made in this
7 case arise under common law or under statute. So under that
8 circumstance, no matter how bizarre, you look at the situation
9 that we're all facing now, clearly the first agreement covers
10 all of those disputes. I argue strenuously that because it is
11 in connection with collection efforts that it falls under both
12 the current agreement and the initial agreement. But the
13 first agreement certainly covers all of those claims.

14 THE COURT: Thank you, Mr. Dzarnoski.

15 MR. DZARNOSKI: Is there any further questions?

16 THE COURT: Not yet. I'll probably have more to you
17 after the other side goes.

18 MR. DZARNOSKI: Thank you, Your Honor.

19 THE COURT: I do see a lot of arbitration
20 provisions. This one's better than most.

21 MS. DORSEY: I would agree with you. It is better
22 than most on the surface. It absolutely looks better. But in
23 effect it's no better than any other.

24 And, Your Honor, I think that you got right to the
25 heart of the question, which is, given the filing of the

1 litigation in the ridiculous numbers by Rapid Cash -- we're
2 talking about almost 17,000 Justice Court actions in the last
3 five years, 17,000. We don't have a single anecdotal piece of
4 evidence that they've ever tried to arbitrate a single claim
5 under their agreement with any of these customers, but we do
6 know that they've used the Justice Court in the last year --
7 last five years 17,000 times.

8 And so when we look at what constitutes a waiver
9 under Nevada law we look to that Nevada Gold case
10 particularly. And the two factors that I think are most
11 important, the first one is conduct that indicates an intent
12 to waive, conduct that indicates that you would prefer to use
13 the District -- or prefer to use the court system over
14 arbitration. I think 17,000 cases probably gets us there.

15 And interestingly enough, the defendant has failed
16 to provide you with any case of litigation of this type of
17 magnitude where a court did not find that there was waiver.
18 And in fact I would suggest that this is such an egregious --
19 such an egregious case of using the court systems over
20 invoking an arbitration clause that you won't find a case
21 that's quite this severe.

22 And the second prong under the Nevada Gold case is
23 prejudice. And we also know that of these 17,000 cases
24 they've taken most of these to judgment, and there have been
25 numerous courts that have held that if you take a case through

1 litigation to judgment, the person you get the judgment
2 against is sufficiently prejudiced that there's a waiver
3 found. This is a pretty clear-cut case of waiver. I would --
4 I would argue that you probably wouldn't find a case of such a
5 clear indication to waive the arbitration provision.

6 Now, defense counsel cited to two different recent
7 Supreme Court cases, and he suggests that these Supreme Court
8 cases would lead you to decide that there was no waiver here.
9 The first one is the Stolt-Nielsen case. And he tells you
10 that this case out of the Supreme Court says the parties'
11 agreements have to be enforced on their terms.

12 The Stolt-Nielsen case is so completely
13 distinguishable on its facts that it has absolutely no
14 application here. In Stolt-Nielsen we were talking about two
15 multi-national companies, not consumers, not payday loan
16 consumers who really have no options monetarily like our
17 clients do. The case is so distinguishable. And essentially
18 what the Stolt-Nielsen case holds is that when you have two
19 sophisticated, multi-national businesses you can apply the
20 contract that they have -- that they've negotiated between
21 them. It is not a case that applies any state law. It's
22 completely a federal case. And the issues that you're
23 presented with in this case are not present in that case. So
24 that's just simply not a case that you need to look to when
25 you decide the issue in front of you right now.

1 The other thing that I want to talk about is how
2 this clause truly, even though it may appear to be a better
3 consumer clause, in fact I think defense counsel said that it
4 was one of the most consumer-friendly provisions he's ever
5 seen, how it doesn't in fact make it more consumer friendly.
6 He essentially indicates that we've got this opt out clause
7 and so --

8 THE COURT: It does. It has a right to reject
9 arbitration after they give you the money.

10 MS. DORSEY: A right to reject the -- that's
11 absolutely true. But what it doesn't do is it doesn't change
12 the fact that this is a completely adhesion contract. None of
13 these customers can change a single word in the agreement at
14 the time that it's being signed. What it does allow someone
15 to do is within the 30 days after they go home after signing
16 this agreement they can send a certified letter to Kansas,
17 saying, I don't want to have arbitration apply to me in the
18 event that we have some kind of a dispute.

19 Well, in order for those kind of clauses to be
20 enforceable they need to be meaningful. And the disputes in
21 this case all arose more than 30 days after the signing of
22 these contracts. So none of these customers would have ever
23 had the opportunity to recognize that they should opt out of
24 this arbitration clause, because the conduct that the
25 defendants are involved in all happened more than 30 days

1 later. So this is just not a meaningful opt out provision.
2 It doesn't change the nature of this as an adhesion contract.

3 So essentially what you have here is a provision
4 that forecloses the ability for these consumers to come into
5 court. Now, they've suggested -- there are four plaintiffs at
6 this point. They've suggested that all four of these
7 plaintiffs could go to the Justice Court and they can file an
8 action to have their default judgments reopened. Again, we
9 need to look at how realistic this is. First of all, that's
10 just the four that we represent right now. As you know, we
11 framed this as a class action because we believe that of those
12 17,000 lawsuits they filed in the last five years there are
13 going to be more than four people who were the victim of the
14 service that was employed for our clients.

15 So essentially what they're saying is that these
16 low-income clients need to get a lawyer, they need to go to
17 court, and they need to set aside these judgments, so that
18 they're suggesting that these people can actually, one, get a
19 lawyer to do this for them, and, two, that the court system
20 can actually shoulder the burden of having all of these people
21 individually file lawsuits. And, as you know, Your Honor,
22 that's not something that this court system can bear,
23 particularly if we get up to the kind of numbers that we
24 anticipate in this case, particularly 17,000.

25 And finally, what makes them think that they

1 wouldn't then invoke the arbitration clause and force all of
2 these people into arbitration even if they individually filed
3 these lawsuit? So if they're suggesting that with these four
4 we need to have the -- they're invoking the arbitration clause
5 and that it should apply, there's no reason for us to believe
6 that they wouldn't do the exact same thing if these people
7 filed individual actions to set aside those default judgments.

8 I also want to address the scope of these
9 arbitration clauses, because defense counsel discussed those
10 with you. The -- he notes that the definition of "claims" is
11 extremely broad. And I would agree with that. It's extremely
12 broad. But what it isn't is so broad that these consumers
13 should have known at the time that they signed these
14 agreements that an action like this, an action arising from
15 fraud, not from legitimate collection activities, but actual
16 fraud would be covered under an arbitration provision in a
17 loan agreement. That's just not something that's foreseeable.

18 And so even, Your Honor, if the language appears to
19 include something all encompassing, he indicates that it
20 includes any common-law or statutory claim whatsoever, so it's
21 completely all encompassing. But the law says that there have
22 to be -- says that there has to be limits on these incredibly
23 broad provisions. Courts have held that you can't apply
24 contractual arbitration agreement to tortious conduct that a
25 consumer could not have reasonable foreseen when entering into

1 the agreement; and here this dispute really has nothing to do
2 with the contractual relationship between these parties, but
3 the subsequent post-contractual tortious conduct by these
4 parties and a fraud on the court.

5 So we cited to the Aiken case in our brief, Your
6 Honor. And, like the court in the Aiken case, this Court
7 should refuse to interpret this arbitration clause so broadly
8 to apply it to outrageous tortious conduct that the consumers
9 could not have possibly anticipated. And that's exactly what
10 we're asking this Court to find here, that this is --

11 THE COURT: And that's your public policy argument.

12 MS. DORSEY: That is the public policy argument.

13 And unless you have any questions --

14 THE COURT: No. Thanks.

15 Mr. Dzarnoski.

16 MR. JONES: Your Honor, and I apologize, I've got a
17 deposition that starts at 10:00, and I'm going to have to run.
18 So I wanted to let you know that's why I was leaving.

19 THE COURT: Thank you, Mr. Jones. Have a nice day.

20 MR. JONES: Although I would be very interested to
21 stay to the end of this argument, but --

22 THE COURT: I'm sure we'll be done soon.

23 MR. JONES: In that case, Your Honor, I may --

24 THE COURT: It's only 9:41.

25 MR. JONES: I may wait another few minutes.

1 THE COURT: Unless you've got to drive down to
2 Howard Hughes, you might make it.

3 MR. JONES: I will wait for a few more minutes, Your
4 Honor. Thank you.

5 THE COURT: Mr. Dzarnoski.

6 MR. DZARNOSKI: Thank you, Your Honor.

7 I'm going to start out a little bit in a backwards
8 direction. But let me address the last point as to
9 foreseeability and Counsel's argument that nobody could
10 foresee that this might -- these arbitration provisions might
11 include claims of fraud. Let me read from the arbitration
12 provision.

13 "'Claim' is to be given the broadest possible
14 meaning and includes claims of every kind and nature,
15 including, but not limited to, initial claims, counterclaims,
16 cross-claims, and third-party claims and claims based on any
17 constitution, statute, regulation, ordinance, common law,
18 including rules relating to contracts, negligence, fraud, or
19 other intentional wrongs in equity."

20 You've got an arbitration agreement that in its own
21 explicit language tells the person that it is going to include
22 claims of fraud. I don't see how you can make a claim that
23 anybody who reads that would not understand that the
24 arbitration agreement would cover claims of fraud.

25 THE COURT: But don't you think it's against public

1 policy to have all fraud claims covered by an arbitration
2 provision?

3 MR. DZARNOSKI: No, Your Honor.

4 THE COURT: Okay.

5 MR. DZARNOSKI: The Federal Arbitration -- the
6 Federal Arbitration provision -- or Administration Act has
7 been specifically found by the United States Supreme Court to
8 trump state statutes and/or state public policy provisions
9 because the parties are allowed to arbitrate. And in this
10 particular case the Federal Arbitration Act applies. Public
11 policy issue just simply isn't going to fly in the face of the
12 public policy that the United States Congress had when it
13 enacted the Federal Arbitration Act. So you've got two public
14 policies. I mean, you can either enforce the public policy
15 that the United States Supreme Court set for us, and the
16 Congress of the United States said is preeminent, or you can
17 enforce what the Counsel here believes is a state public
18 policy. We think the choice is pretty clear and ought to be
19 done with the United States Supreme Court and the
20 Congressional legislation.

21 As to, again, issue of waiver, Counsel had brought
22 up some Nevada caselaw dealing with the issues of waiver. I'd
23 point out that all of those cases involve proceeding in
24 litigation with respect to a particular claim. We wouldn't be
25 sitting here today saying that since we proceeded with a claim

1 to collect and we went into the Justice Court to collect, that
2 we --

3 THE COURT: But don't you think that's in and of
4 itself against public policy to go in and get a judgment and
5 then under your arbitration provision to try and specifically
6 take out any actions relating to those collection activities,
7 including, arguably, setting aside the judgment?

8 MR. DZARNOSKI: They can bring those claims in the
9 Small Claims Court action. We're not saying they can't bring
10 those claims. They have the relief in that action. And we
11 would not be able to remove those claims in that action to
12 arbitration, because we have proceeded with the litigation.

13 THE COURT: But the claims that are being made in
14 this case, which would then be a compulsory counterclaim in
15 the Small Claims Court action, would not fall within the
16 jurisdiction of either the Small Claims Court or the Justice
17 Court, and then I have a joinder problem when all of those
18 cases get transferred by Justice Court up to District Court
19 from a practical standpoint.

20 MR. DZARNOSKI: And from a practical standpoint if
21 that happened and they did -- and you're right, if they
22 asserted those compulsory counterclaims, we had the issues of
23 jurisdiction and it gets moved back up here to you, you know
24 what, we file another motion to compel arbitration because
25 these provisions say that any counterclaims or new claims that

1 come in are then subject to the arbitration provision. So
2 we're right back where we are today.

3 But you're right, that is -- that is what should
4 happen under this agreement if they are going to be following
5 the agreement, is they should be asserting those in Small
6 Claims Court. We will then have to decide what happens in
7 Small Claims Court when the facts play out. But you can't
8 make a decision based on what might happen later after Small
9 Claims.

10 But I also want to point out that they indicate that
11 that's unworkable, and you seem to be accepting that a little
12 bit --

13 THE COURT: Only from a practical, administrative
14 standpoint as the presiding judge of the Civil Division, not
15 in my capacity here today as a Business Court judge.

16 MR. DZARNOSKI: And I am ever hopeful that we will
17 find a way to work with the special master and the Legal Aid
18 Society of Southern Nevada to find a mechanism to keep the
19 judicial system from being overburdened by this problem. That
20 is in all of our interests, and I think that we can do that.
21 But we don't need to do it within the context of this case.

22 THE COURT: Let me ask you another question to focus
23 on. Ms. Popick [sic] said there were about 17,000 examples
24 anecdotally of times that your client had chosen the
25 litigation system and there was never a selection by your

1 client of arbitration in this jurisdiction for any of its
2 customers enforcing an agreement.

3 MR. DZARNOSKI: Collection actions. We've only
4 brought collection actions.

5 THE COURT: Okay. But all of them have been
6 litigation, as opposed to some other collection actions have
7 an arbitration that they proceed through for purposes of the
8 collection, and then file a petition with the court to confirm
9 an arbitration award.

10 MR. DZARNOSKI: We have never filed -- we, my
11 clients, have never filed a direct claim for arbitration. It
12 is my understanding that there has been, and I'm not sure in
13 this jurisdiction, maybe I could get a nod, that there has
14 been a request for removal to arbitration. I'm not sure in
15 this jurisdiction, as well. In other jurisdictions there have
16 been requests to remove Small Claims Court actions to
17 arbitration by the customer.

18 Now, and I also want to bring this out as very
19 important, because Counsel's saying these people, it's not
20 workable for them to file in Small Claims Court. Don't
21 discount the fact that each of these people could claim or
22 file for removal and arbitration on their own. As you saw in
23 this -- in this agreement, that is a very, very valid
24 alternative for each of these individuals to follow because of
25 the bump-up provision in terms of damages.

1 THE COURT: Extra hundred bucks?

2 MR. DZARNOSKI: No. An extra 10,000, Your Honor.
3 The minimum amount of the judgment is the jurisdictional limit
4 of the Justice Court plus \$100. So if they're out there with
5 a \$300 loan and they go to arbitration and they win and they
6 get a money judgment against my client, in arbitration they
7 get a judgment for a minimum of \$10,100 plus attorney fees.
8 So you tell me how this prejudices any of these customers to
9 have -- to have the ability to go in and challenge in
10 arbitration. This is what makes this so consumer friendly.

11 THE COURT: No, I think this is a better arbitration
12 provision. I've said it a couple of times. This arbitration
13 provision taken in total is a better arbitration provision
14 than many I have seen. My concerns are, and I think I've hit
15 them for you, are waiver and the public policy issue. And,
16 you know, those are to me the two central concerns, because I
17 think your client in drafting the agreement probably did a
18 very, very good job. The question is once we get past the
19 drafting and we're in the how do they act with respect to the
20 agreement, we may have some problems.

21 MR. DZARNOSKI: But when you get to how you act --
22 and again, on the issue of waiver I've already covered the
23 aspect that the cases that have been brought forward by
24 plaintiffs' counsel are cases where we've proceeded in
25 litigation as to a specific claim. They say we have never --

1 we haven't shown a case to you where there's been this number
2 of Small Claims Court actions that have been filed where a
3 court has not found a waiver. Well, Your Honor, they haven't
4 brought forth a case where anybody's filed Small Claims Court
5 actions and collection agent actions in a Small Claims Court
6 and subsequently had somebody or some court rule that there is
7 a waiver. That has not happened, and they don't have a case
8 that they can provide to you that shows that.

9 The fact of the matter is that the Rapid Cash
10 defendants have not taken any action or filed any action or
11 proceeded in any litigation that is inconsistent with their
12 rights under this arbitration agreement. And again, and I
13 can't emphasize the Stolt-Nielsen case enough, the Stolt-
14 Nielsen case stands squarely for that proposition that the
15 parties can decide which claims get arbitrated and which
16 claims don't. And when the parties decide that, then that's
17 the way the agreement is going to be enforced.

18 The Rapid Cash defendants have filed their actions
19 in Small Claims Court because that was a carve out from the
20 arbitration provision agreement. For a carve out, something
21 not covered by the arbitration agreement, to now be considered
22 a waiver of the agreement ignores the carve out to begin with.
23 The carve out was there for a reason, and that reason was to
24 prevent that from occurring.

25 Very briefly, this clearly is not a contract of

1 adhesion when, as you noted, they have 30 days to opt out of
2 the arbitration provision. Not only do they have the right to
3 opt out of the provision, but they keep the money. This isn't
4 a question where they opt out and they have to return the
5 money and rescind the agreement. The agreement is in full
6 force and effect, they keep the money, and the terms of the
7 agreement -- the lending agreement stay in full force and
8 effect.

9 I fear that one of the things that is going through
10 your head, and Counsel is bringing this up, they're saying
11 there's more than four people. And you're talking about case
12 manageability already at this point in the litigation.

13 THE COURT: I don't know we're going to have more
14 than four people, because the motion to certify a class is on
15 the chamber calendar in a couple weeks, and I may not certify
16 the class given the no class provision in the agreements. But
17 that's a different issue that we're not doing today.

18 MR. DZARNOSKI: Okay. And there's other
19 deficiencies there. But you're right. We have four people.
20 That's what we've got. I don't care that there were 17,000
21 complaints filed or default judgments taken in this case.
22 First of all, it's a big leap of faith for these plaintiffs to
23 come forward to you, Your Honor, and tell you that there's
24 going to be more than four people or that there's going to be
25 a hundred or there's going to be a thousand. There is no

1 evidence that they've presented, no evidence that has been
2 presented in the criminal trial, no evidence before this Court
3 or anywhere that this was a systematic and systemic problem
4 that spanned for five years. And I have put in as a proffer
5 of proof in one of our other motions that is before you the
6 fact that I've spoken with the lead detective, Nate Chio
7 [phonetic], in this case, and we are cooperating and providing
8 information and names and contact information. And he's told
9 me outright, I've contacted customers of Rapid Cash, I'm
10 looking for victims so I can add you as a victim to our file,
11 Rapid Cash, because you paid \$500,000 for this guy to serve
12 process, and he sits there and he tells me numerous people
13 that he's interviewed acknowledge that they've been served
14 process. I don't have a number yet of people who haven't been
15 served process. Nor do they. Despite this ongoing
16 investigation -- I mean, this has been in the papers for how
17 long? Months.

18 THE COURT: Since this summer.

19 MR. DZARNOSKI: Yeah. And we have four --

20 THE COURT: I was on vacation.

21 MR. DZARNOSKI: We have a grand total of four
22 customers of Rapid Cash who are saying that they weren't
23 served. And there's no proof of that yet. They're just
24 saying that they haven't been served or that they had no
25 notice of these.

1 Now, we have our own little goody bag when we get
2 into discovery, if we have to, where we can show them the
3 contacts that were made with these individual plaintiffs and
4 what was done to apprise them of their problems and for them
5 -- I mean, we're not at the evidentiary stage. But what
6 you're faced with now is four people and a valid, binding
7 arbitration agreement.

8 And, like I said, I fear that you're thinking down
9 the road towards manageability issues that -- in a worst-case
10 scenario. And believe me, if I were in your shoes as the
11 person who has to handle this huge building, I might be doing
12 the same thing. But my clients today are entitled to a
13 decision based on the case that is before us. And that case
14 before us is four people and a valid arbitration agreement and
15 no issues of manageability, and the fact that each of these
16 four people could walk in, demand arbitration after trying to
17 set aside their judgment, get \$10,100 plus attorney fees if
18 they prevail, which is far more relief than they would ever
19 get in a class action lawsuit. The class action lawsuit is
20 not protecting their interests better than the arbitration
21 would. It's being pursued for other purposes, but not for the
22 protection and the ultimate outcome for these four people.
23 And you shouldn't be making your decision based on those four
24 people and manageability.

25 THE COURT: Thank you, Mr. Dzarnoski. I appreciate

1 that. And I want to compliment counsel on the briefs. They
2 were very well done, and the arbitration provision in my mind
3 is very clear.

4 Unfortunately, the conduct of the defendant in its
5 collection efforts in my constitutes a waiver of the right to
6 elect arbitration. In the Court's opinion it is against
7 public policy to allow litigation, even if it is in the Small
8 Claims Court, and then require arbitration of those claims
9 which arise from the alleged tortious and fraudulent conduct
10 of defendants and its agents in those collection activities.

11 So the motion to compel arbitration and stay the
12 proceedings is denied.

13 There's one other motion that's on calendar for
14 today, and then there's also a motion to certify the class
15 that is on for October 15th on the chambers calendar. First,
16 do you want to have oral argument on the motion to certify the
17 class, Mr. Dzarnoski?

18 MR. DZARNOSKI: Yes, Your Honor. I've made that
19 request in my opposition.

20 THE COURT: Do you want me to move you to the 19th,
21 or the 21st, a Tuesday or a Thursday?

22 MR. DZARNOSKI: Either one is fine.

23 MS. DORSEY: I think I'd prefer the 21st.

24 THE COURT: 21st?

25 MR. DZARNOSKI: Could we do both those motions, the

1 one today and the certification of the class on that day?

2 THE COURT: Well, let me get to my note on that one,
3 because I do have a note to ask a question. Shift my file a
4 little here.

5 So, Susan, if we could move the motion that's on the
6 15th to the 21st.

7 And then the other motion we have is the motion for
8 essentially a no contact order. Is that an easy way to phrase
9 it?

10 MS. DORSEY: Yes.

11 THE COURT: And basically what you're asking me, Mr.
12 Wulz and Ms. Popick, is that I not permit any additional
13 collection efforts with requests to any Rapid Cash judgment at
14 this point.

15 MR. WULZ: That's true. And we also have other
16 concerns since they have judgments against a few of the class
17 members, and we would have concerns about oral contacts with
18 them, trying to get them to settle, give up their remedies in
19 this case.

20 THE COURT: I'm not inclined to grant such a broad
21 order until I certify the class. Do you want me to wait and
22 hear the motion on the same day as I have the motion to
23 certify the class?

24 MR. WULZ: That's -- it's more -- typically it's
25 more appropriate to hear the motion for class cert and then

1 the motion for a Rule 23 order.

2 THE COURT: So I'm going to continue that motion
3 which is on today for the 21st, as well, Mr. Dzarnoski?

4 MR. DZARNOSKI: I'm sorry?

5 THE COURT: So the 21st, as well.

6 MR. DZARNOSKI: Yes.

7 THE COURT: Just so you're getting all these notes
8 of dates.

9 MR. DZARNOSKI: Thank you.

10 THE COURT: Okay. Anything else?

11 MS. DORSEY: No.

12 THE COURT: Any housekeeping matters?

13 Thank you for coming. Go to your Department 9 case.

14 MS. DORSEY: Thank you.

15 THE PROCEEDINGS CONCLUDED AT 9:59 A.M.

16 * * * * *

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CERTIFICATION

I CERTIFY THAT THE FOREGOING IS A CORRECT TRANSCRIPT FROM THE AUDIO-VISUAL RECORDING OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.

AFFIRMATION

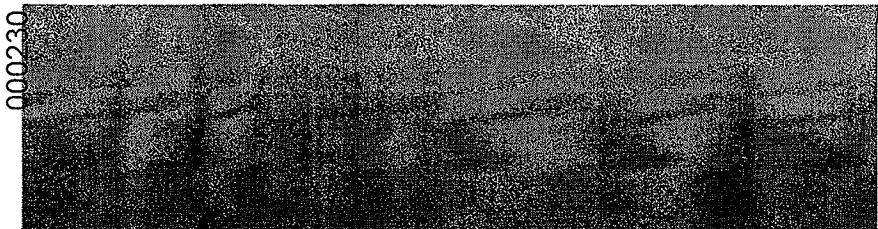
I AFFIRM THAT THIS TRANSCRIPT DOES NOT CONTAIN THE SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER OF ANY PERSON OR ENTITY.

FLORENCE HOYT
Las Vegas, Nevada 89146

Florence M. Hoyt
FLORENCE HOYT, TRANSCRIBER

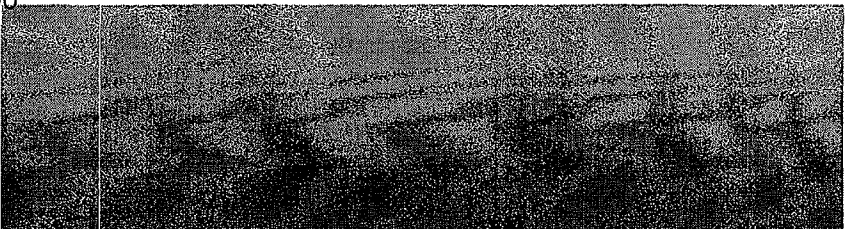
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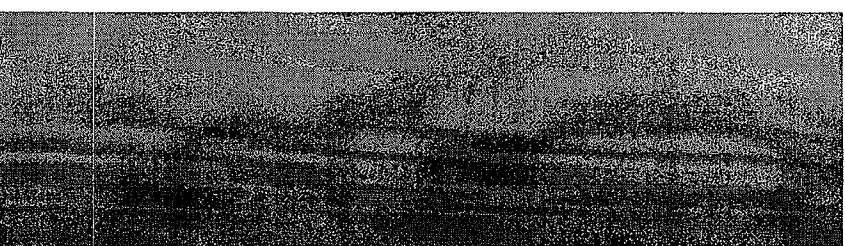


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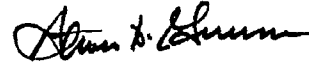


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CLERK OF THE COURT

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18 Cash, Granite Financial Services, Inc., d/b/a

19 Rapid Cash, FMMR Investments, Inc., d/b/a

20 Rapid Cash, Prime Group, Inc., d/b/a Rapid

21 Cash and Advance Group, Inc., d/b/a Rapid

22 Cash

13 DISTRICT COURT

14 CLARK COUNTY, NEVADA

15 CASANDRA HARRISON; EUGENE

16 VARCADOS; CONCEPCION QUINTINO; and

17 MARY DUNGAN, individually and on behalf of
all persons similarly situated,

18 Plaintiffs,

19 vs.

20 PRINCIPAL INVESTMENTS, INC. d/b/a

21 RAPID CASH; GRANITE FINANCIAL

22 SERVICES, INC. d/b/a RAPID CASH; FMMR

23 INVESTMENTS, INC. d/b/a RAPID CASH;

24 PRIME GROUP, INC. d/b/a RAPID CASH;

25 ADVANCE GROUP, INC. d/b/a RAPID CASH;

26 MAURICE CARROLL, individually and d/b/a

27 ON SCENE MEDIATIONS; VILISIA

28 COLEMAN, and DOES I through X, inclusive,

Defendants.

CASE NO. A624982

DEPT. XI

ORDER DENYING MOTION TO
COMPEL ARBITRATION

Now on this 12th day of October, 2010, comes on for hearing "Motion To Compel Arbitration and Stay Proceedings" (the "Motion") filed by Defendants, Principal Investments, Inc. d/b/a Rapid Cash; Granite Financial Services, Inc. d/b/a Rapid Cash; FMMR Investments,

1 Inc., d/b/a Rapid Cash; Prime Group, Inc., d/b/a Rapid Cash, and Advance Group, Inc., d/b/a
 2 Rapid Cash (hereafter "Rapid Cash"). Plaintiffs appeared by counsel, J. Randall Jones, Esq.,
 3 Jennifer C. Dorsey, Esq., Kemp, Jones and Coulthard, LLC, and Dan L. Wulz, Esq., Legal Aid
 4 Center of Southern Nevada, Inc. Defendants, Rapid Cash, appeared by counsel Mark S.
 5 Dzarnoski, Esq., Gordon Silver, and Martin Bryce, Ballard Spar.

6 The Court, having reviewed the Motion, Plaintiff's Opposition, Defendants' Reply, the
 7 file, and the pleadings on file herein, and having considered the arguments of the parties, hereby
 8 FINDS and ORDERS as follows:

9 The Motion is denied. The Court finds that the Movants waived their right to demand
 10 arbitration in that Defendants knew of their right to arbitrate, acted inconsistently with that right
 11 in filing thousands of justice court cases against the putative Class members, and prejudiced the
 12 putative Class members by their inconsistent acts in taking default judgments. The Court further
 13 finds that it is against public policy to allow litigation, even if it is in the Small Claims Court,
 14 and then require arbitration of those claims ~~_____~~ *BCC*
 15 which arise from the alleged tortious and fraudulent conduct of defendants and its agents in those
 16 collection activities. *and pursuing collection.*

17 IT IS SO ORDERED.

18 DATED this 29th day of November, 2010

19 *E. J. Jones*
 DISTRICT COURT JUDGE

20 Prepared and submitted by:

21 GORDON SILVER

22 *William M. Noall*
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 23 MARK S. DZARNOSKI, Nevada Bar No. 3398
 24 JEFFREY HULET, Nevada Bar No. 10621
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 25 Tel: (702) 796-5555
 Attorneys for Defendants

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 27 Financial Services, Inc., d/b/a Rapid Cash, FMMR
 Investments, Inc., d/b/a Rapid Cash, Prime Group, Inc.,
 28 d/b/a Rapid Cash and Advance Group, Inc., d/b/a Rapid Cash

EXHIBIT “1”

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10 Attorneys for Plaintiffs and Putative Class Counsel

DISTRICT COURT**CLARK COUNTY, NEVADA**

14 Casandra Harrison; Eugene Varcados;
 15 Concepcion Quintino; and Mary Dungan,
 16 individually and on behalf of all persons
 similarly situated,

Case No.: A-10-624982-B
 Dept. No.: XI

17 Plaintiffs,

18 v.

Principal Investments, Inc. d/b/a Rapid Cash;
 19 Granite Financial Services, Inc. d/b/a Rapid
 Cash; FMMR Investments, Inc., d/b/a Rapid
 20 Cash; Prime Group, Inc., d/b/a Rapid Cash;
 Advance Group, Inc., d/b/a Rapid Cash;
 21 Maurice Carroll, individually and d/b/a On
 Scene Mediations; W.A.M. Rentals, LLC and
 22 d/b/a On Scene Mediations; Vilisia
 Coleman; and DOES I through X, inclusive,

23 Defendants.

AFFIDAVIT OF CASANDRA HARRISON

26 I, CASANDRA HARRISON, being duly sworn deposes and states as follows:

- 27 1. I entered the Rapid Cash store on North Jones Blvd to obtain a loan.
- 28 2. The store has customer windows. There are no desks to sit at to obtain a loan.

- 1 3. I walked up to a window and the Rapid Cash employee asked me where I worked,
2 for documents to prove my income, and checking account information.
3 4. The employee typed into a computer.
4 5. After I was approved for the loan, the employee pushed the papers through her
5 window to me to sign. She held the loan money in her other hand at the time.
6 6. The employee went over when the payment was due but there was no discussion
7 of the additional contents of the loan agreement.
8 7. The papers were presented on a take-it-or-leave it basis; there was no discussion
9 of any opportunity to negotiate any of its terms.
10 8. There was no discussion about the arbitration provision contained in the loan
11 agreement, or the ability to opt-out of the arbitration provision within thirty (30)
12 days after the date of my application.
13 9. To the best of my knowledge and recollections, the statements, dates, and amounts
14 contained in paragraphs 1 through 9 above are true and accurate
15

16 FURTHER YOUR AFFIANT SAYETH NAUGHT.

17 Cassandra Harrison
18 CASANDRA HARRISON
19

20
21 SUBSCRIBED AND SWORN to before
22 me this 7th day of October, 2010.
23

24 Elizabeth Montes
25 Notary Public
26 
27
28

EXHIBIT “2”

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DISTRICT COURT**CLARK COUNTY, NEVADA**

Casandra Harrison; Eugene Varcados;
 Concepcion Quintino; and Mary Dungan,
 individually and on behalf of all persons
 similarly situated,

Plaintiffs,

v.

Principal Investments, Inc. d/b/a Rapid Cash;
 Granite Financial Services, Inc. d/b/a Rapid
 Cash; FMMR Investments, Inc., d/b/a Rapid
 Cash; Prime Group, Inc., d/b/a Rapid Cash;
 Advance Group, Inc., d/b/a Rapid Cash; Maurice
 Carroll, individually and d/b/a On
 Scene Mediations; W.A.M. Rentals, LLC and
 d/b/a On Scene Mediations; Vilisia
 Coleman; and DOES I through X, inclusive,

Defendants.

Case No.: A-10-624982-B

Dept. No.: XI

AFFIDAVIT OF EUGENE VARCADOS

I, EUGENE VARCADOS, after first being duly sworn, deposes and states as follows:

I. I am a resident of Clark County, Las Vegas, Nevada.

2. I signed loan agreements with Rapid Cash at a store on Maryland Parkway and Karen Avenue and a store located on Sahara Avenue and Decatur Boulevard.
3. The store had several customer windows. There are no desks to sit and read loan documents.
4. Typically, there were four or five people in the store at one time.
5. Excluding the annual percentage rate, the finance charge, the amount financed, the total of payments, and the payment schedule, there was no discussion of the additional contents of the loan agreement.
6. There was no discussion about the arbitration provision contained in the loan agreement, or the ability to opt-out of the arbitration provision within thirty (30) days after the date of my application.
7. The pages of the loan agreement were loose when presented to me, and the last page, the signature page, was on top of the pile of papers and obscured the remainder of the loan agreement.
8. Rapid Cash obtained my signature on the signature page of the loan agreement, kept the signed copy, and gave me a complete unsigned copy of the loan agreement with a receipt stapled over the terms on the first page.
9. Rapid Cash's pre-printed form loan agreements were presented to me on a take-it-or-leave-it basis.
10. There was no opportunity to negotiate the terms of the loan agreement prior to signing.
11. To the best of my knowledge and recollections, the statements, dates, and amounts contained in paragraphs 1 through 11 above are true and accurate.

FURTHER YOUR AFFIANT SAYETH NAUGHT.

E. Varcados

EUGENE VARCADOS

SUBSCRIBED AND SWORN to before
me this 5th day of October, 2010.

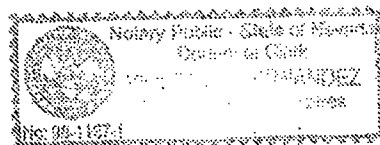
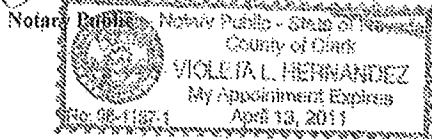


EXHIBIT “3”

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DISTRICT COURT**CLARK COUNTY, NEVADA**

Casandra Harrison; Eugene Varcados;
 Concepcion Quintino; and Mary Dungan,
 individually and on behalf of all persons
 similarly situated,

Plaintiffs,

v.

Principal Investments, Inc. d/b/a Rapid Cash;
 Granite Financial Services, Inc. d/b/a Rapid
 Cash; FMMR Investments, Inc., d/b/a Rapid
 Cash; Prime Group, Inc., d/b/a Rapid Cash;
 Advance Group, Inc., d/b/a Rapid Cash;
 Maurice Carroll, individually and d/b/a On
 Scene Mediations; W.A.M. Rentals, LLC and
 d/b/a On Scene Mediations; Vilisia
 Coleman; and DOES I through X, inclusive,

Defendants.

Case No.: A-10-624982-B

Dept. No.: XI


**AFFIDAVIT OF CONCEPCION
 QUINTINO**

1
2 I, CONCEPCION QUINTINO, having been sworn declare and state,

- 3 1. I entered the Rapid Cash store on South Maryland Parkway to obtain a loan.
4 2. The store has two customer windows and a sign that states, "Wait in Line." There
5 are no desks to sit and obtain a loan.
6 3. I got into the line with my husband, where approximately 7 people were waiting
7 ahead of me.
8 4. After thirty to thirty-five minutes, it was my turn to approach the window.
9 5. At the window, the Rapid Cash employee asked me where I worked, for
10 documents to prove my income, and checking account information.
11 6. The Rapid Cash employee walked away to obtain approval for the loan, this was
12 the bulk of the time I stood at the window, waiting for approval.
13 7. The employee returned and typed into a computer. She then walked away and
14 returned with several loose papers.
15 8. The employee put the signature page in front of me and asked me to sign it.
16 9. I signed and then the employee signed.
17 10. The papers were presented on a take-it-or-leave it bases; there was no discussion
18 of any opportunity to negotiate any of its terms.
19 11. There was no discussion about the arbitration provision contained in the loan
20 agreement.
21 12. The entire process took place standing at the window with a line of people behind
22 me, making me feel rushed.
23 13. To the best of my knowledge and recollections, the statements, dates, and amounts
24 contained in paragraphs 1 through 7 above are true and accurate.

25 I declare and affirm under penalty of perjury that the foregoing is true and correct to the
26 best of my knowledge.

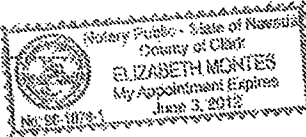
27 DATED this 5th day of October, 2010.

28 

CONCEPCION QUINTINO

1
2. SUBSCRIBED AND SWORN to before
3 me this 5th day of October, 2010.

4
5 Elizabeth Montes
6 Notary Public

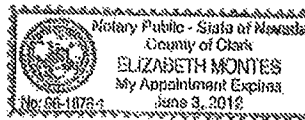


7 I declare that I translated every line of the Affidavit of Concepcion Quintino in Spanish is an
8 authentic and correct translation.

9
10 Violeta Hernandez
11 Violeta Hernandez

12
13 SUBSCRIBED AND SWORN to before
14 me this 5th day of October, 2010.

15 Elizabeth Montes
16 Notary Public



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EXHIBIT “4”

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19 **DISTRICT COURT**

20 **CLARK COUNTY, NEVADA**

21 Casandra Harrison; Eugene Vareados;
22 Concepcion Quintino; and Mary Dungan,
23 individually and on behalf of all persons
24 similarly situated,

25 Plaintiffs,

26 v.

27 Principal Investments, Inc. d/b/a Rapid Cash;
28 Granite Financial Services, Inc. d/b/a Rapid
Cash; FMMR Investments, Inc., d/b/a Rapid
Cash; Prime Group, Inc., d/b/a Rapid Cash;
Advance Group, Inc., d/b/a Rapid Cash;
Maurice Carroll, individually and d/b/a On
Scene Mediations; W.A.M. Rentals, LLC and
d/b/a On Scene Mediations; Vilisia
Coleman; and DOES I through X, inclusive,

Defendants.

Case No.: A-10-624982-B

Dept. No.: XI

AFFIDAVIT OF MARY DUNGAN

1
2 I, MARY DUNGAN, having been sworn declare and state,

- 3 1. I am a resident of Clark County, Las Vegas, Nevada.
4 2. I signed loan agreements with Rapid Cash at a store on Boulder Highway and Nellis
5 Boulevard.
6 3. The store had several customer windows. There are no desks to sit at and read loan
7 documents.
8 4. Excluding the finance charge, the amount financed, the total of payments, and the
9 payment schedule, there was no discussion of the additional contents of the loan
10 agreement.
11 5. The pages of the loan agreement were stapled when presented to me and the Rapid Cash
12 agent folded the loan agreement to the last page and said "sign here," without discussing
13 the contents of the pages of the loan agreement between the first page and the last page.
14 6. I cannot recall whether Rapid Cash provided me with a copy of the loan agreement.
15 7. Rapid Cash's pre-printed form loan agreements were presented to me on a take-it-or-
16 leave-it basis.
17 8. There was no opportunity presented to negotiate the terms of the loan agreement prior to
18 signing.
19 9. To the best of my knowledge and recollections, the statements, dates, and amounts
20 contained in paragraphs 1 through 10 above are true and accurate.

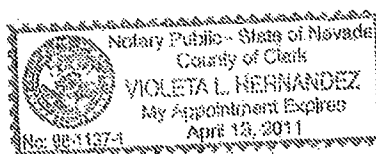
21 I declare and affirm under penalty of perjury that the foregoing is true and correct to the
22 best of my knowledge.

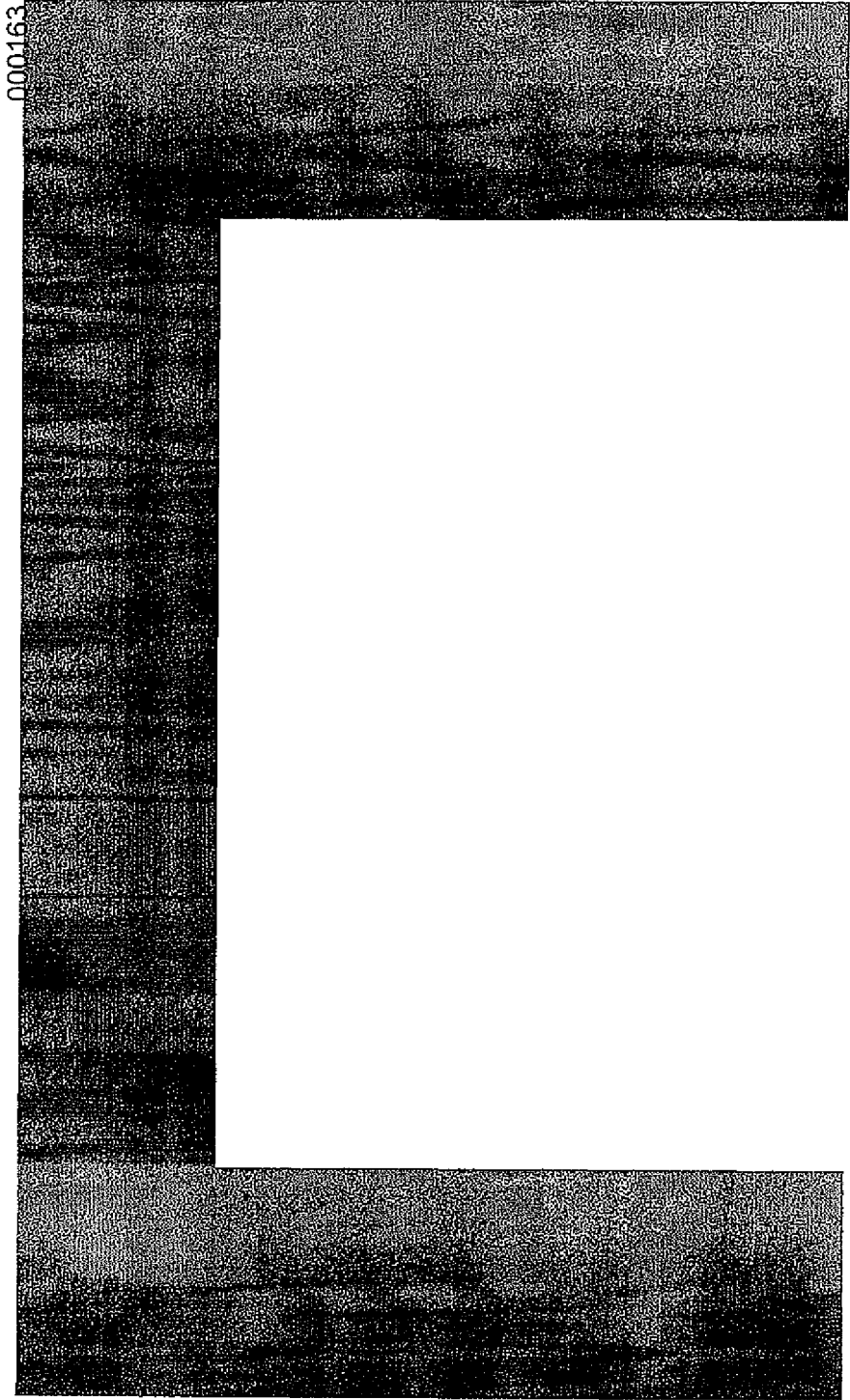
23 DATED this 5th day of October 2010.

24 Mary A. Dungan
MARY DUNGAN

25 SUBSCRIBED AND SWORN to before
26 me this 5th day of October, 2010.

27 Violeta L. Hernandez
28 Notary Public





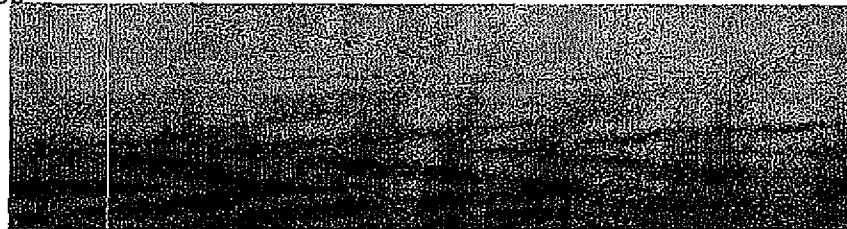
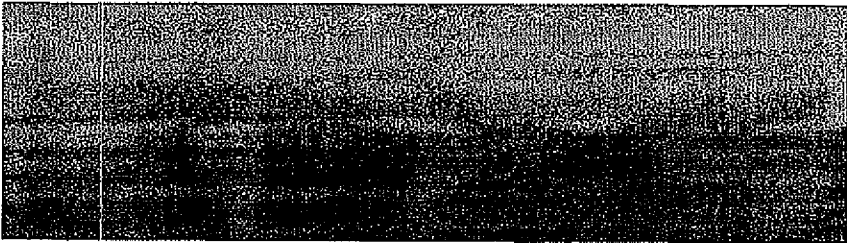
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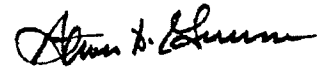
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CLERK OF THE COURT

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Cash, Granite Financial Services, Inc., d/b/a

Rapid Cash, FMMR Investments, Inc., d/b/a

Rapid Cash, Prime Group, Inc., d/b/a Rapid

Cash and Advance Group, Inc., d/b/a Rapid

Cash

DISTRICT COURT

CLARK COUNTY, NEVADA

CASANDRA HARRISON; EUGENE
VARCADOS; CONCEPCION QUINTINO; and
MARY DUNGAN, individually and on behalf of
all persons similarly situated,

Plaintiffs,

vs.

PRINCIPAL INVESTMENTS, INC. d/b/a
RAPID CASH; GRANITE FINANCIAL
SERVICES, INC. d/b/a RAPID CASH; FMMR
INVESTMENTS, INC. d/b/a RAPID CASH;
PRIME GROUP, INC. d/b/a RAPID CASH;
ADVANCE GROUP, INC. d/b/a RAPID CASH;
MAURICE CARROLL, individually and d/b/a
ON SCENE MEDIATIONS; VILISIA
COLEMAN, and DOES I through X, inclusive,

Defendants.

CASE NO. A-10-624982-B
DEPT. XI

**REPLY TO OPPOSITION TO MOTION
TO COMPEL ARBITRATION AND STAY
OF PROCEEDINGS**


COMES NOW Defendants Principal Investments, Inc., d/b/a Rapid Cash, Granite
Financial Services, Inc., d/b/a Rapid Cash, FMMR Investments, Inc., d/b/a Rapid Cash, Prime
Group, Inc., d/b/a Rapid Cash and Advance Group, Inc., d/b/a Rapid Cash (the "Rapid Cash

1 Defendants”), by and through their counsel Gordon Silver, and file this Reply.

2 This Reply is made and based upon the following Memorandum of Points and
3 Authorities, the pleadings and other papers on file herein and any oral argument the Court may
4 permit at the hearing of this matter.

5 DATED this 8TH day of October, 2010.

6 GORDON SILVER

7 
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21 Cash, Granite Financial Services, Inc., d/b/a
22 Rapid Cash, FMMR Investments, Inc., d/b/a
23 Rapid Cash, Prime Group, Inc., d/b/a Rapid
24 Cash and Advance Group, Inc., d/b/a Rapid
25 Cash

18 MEMORANDUM OF POINTS AND AUTHORITIES

19 I. 20 INTRODUCTION

21 In the Rapid Cash Defendants’ initial Memorandum in Support of their Motion to
22 Compel Arbitration and Stay all Proceedings (“Initial Memorandum”),¹ Defendants established
23 that all of the Plaintiffs’ claims in this putative class action are subject to individual (non-class)
24 arbitration pursuant to the parties’ Arbitration Agreements (contained within their individual
25 loan agreements) as well as the Federal Arbitration Act (“FAA”), 9 U.S.C. §§ 1, et seq. In this
26

27 ¹ Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Initial
28 Memorandum.

1 Reply Memorandum, the Rapid Cash Defendants address the arguments made by Plaintiffs in
2 their Opposition (the "Opposition Brief") to the Rapid Cash Defendants' Motion to Compel
3 Arbitration.

4 First, Plaintiffs argue that Defendants "waived" their right to compel arbitration in
5 this case by having instituted prior collection actions against the individual Plaintiffs in state
6 court. As discussed in greater detail below, there is absolutely *no* basis for a finding of waiver in
7 this case. To the contrary, the plain terms of the parties' individual Arbitration Agreements
8 specifically provide that, with regard to any other litigation pending, "nothing in that litigation
9 shall constitute a waiver of any rights under this Arbitration Provision." Arbitration Provision ¶
10 2.² Furthermore, and leaving aside the controlling language of the Arbitration Agreements, there
11 is absolutely no factual basis for a finding of waiver in any event.
12

13 Second, Plaintiffs argue that the Arbitration Agreements and the Class Action Waiver are
14 "unconscionable." To the contrary, as discussed below, courts uniformly have held that where,
15 as here, the Plaintiffs could have opted out of their Arbitration Agreements and/or rescinded their
16 loans, there is *no* basis for a finding of "unconscionability." In addition, the terms of the
17 Arbitration Agreements were clear and unequivocal, and the Arbitration Provision and the Class
18 Action Waiver applied *equally* to the Plaintiffs and the Rapid Cash Defendants.
19

20 Third, Plaintiffs argue that the claims they raise are outside the scope of the Arbitration
21 Agreements. However, the Arbitration Agreements provide that it is up to the arbitrator to
22 determine the scope of the Arbitration Agreements. Further, the scope of contractually-defined
23

24
25 ² The term "Arbitration Provision" derives from the parties' loan agreements and is used throughout this
26 Memorandum to refer to the Plaintiffs' agreements to arbitrate. The Arbitration Provisions in the Agreements of
27 Plaintiffs Mary Dungan, Casandra Harrison, and Eugene Varcados are identical. See Gee Affidavit, filed with
28 Initial Memorandum, Exhs. A-G. The arbitration provision set forth in the plaintiff Concepcion Quintino's
agreement (the "Quintino Agreement") is substantively similar to the other plaintiffs' agreements in many regards,
and has the same notices just above the signature line, as referenced *infra*.

1 "claims" covered by the Arbitration Agreements is extremely broad, and clearly encompasses
2 Plaintiffs' claims in this action.

3 Finally, Plaintiffs argue that enforcement of the Arbitration Agreements would be against
4 public policy and the public interest. However, enforcing the contract entered into between the
5 parties by requiring the parties to arbitrate Plaintiffs' claims in this matter does not preclude
6 recovery for the Plaintiffs, nor does it preclude Plaintiffs from moving to open the default
7 judgments against them if they so desire. No public policy is violated and the public interest is
8 not being harmed.
9

10 In sum, Plaintiffs have not advanced (and cannot advance) any valid argument why the
11 parties' Arbitration Agreements should not be enforced in this case. As established in the Rapid
12 Cash Defendants' Initial Memorandum and herein, those Agreements should be enforced
13 according to their terms.
14

15 II. ARGUMENT

16 (a) The Rapid Cash Defendants Have Not Waived Their Right To Compel 17 Arbitration.

18 As established more fully below, the Rapid Cash Defendants have not waived their right
19 to compel arbitration in this case by having previously filed state court collection actions against
20 the individual Plaintiffs. To the contrary, Plaintiffs' waiver argument is defeated by the plain
21 language of the Arbitration Provision, as well as case law interpreting similar agreements, and
22 finds no basis in the facts of this case in any event.

23 1. The Federal Arbitration Act Applies When Determining Whether A 24 Party May Have Waived Its Right To Compel Arbitration.

25 The Arbitration Provision at issue here explicitly provides that it is governed by the FAA.
26 The Arbitration Provision states that it "is made pursuant to a transaction involving interstate
27 commerce and shall be governed by the FAA, and not . . . any state laws that pertain specifically
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1 to arbitration” Arbitration Provision ¶ 8. The Quintino Agreement similarly reads: “This
 2 Arbitration Agreement is made pursuant to a transaction involving interstate commerce. It will
 3 be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, as amended (“FAA”).” See
 4 Quintino Agreement, Gee Affidavit at Exhibits H-J, p. 3. This language makes unmistakably
 5 clear that any issues concerning the interpretation of the Arbitration Provision are to be
 6 considered under the FAA, and not under state law.

8 In addition, the federal courts have clearly held that whether a party has waived its
 9 contractual right to compel arbitration is governed by the FAA, and not state law. See, e.g., Fid.
 10 Fed. Bank, FSB v. Durga Ma Corp., 386 F.3d 1306, 1312 (9th Cir. 2004) (“the FAA, not state
 11 law, supplied the standard for waiver of the right to compel arbitration.”) (citing Sovak v. Chugai
 12 Pharm. Co., 280 F.3d 1266, 1270 (9th Cir. 2002)); Konica Minolta Business Solutions, U.S.A.,
 13 Inc. v. Allied Office Products, Inc., No. 06-71, 2006 WL 3827461, at *11 (S.D. Ohio Dec. 27,
 14 2006) (noting that “the issue of arbitrability under the FAA is a matter of federal law”). Indeed,
 15 the United States Supreme Court has made clear that state law concerning the interpretation of an
 16 arbitration agreement can only be applied if the parties clearly evidence their intent to be bound
 17 by such law. See Mastrobuono v. Shearson Lehman Hutton, Inc., 514 U.S. 52, 61-62 (1995).
 18 “In other words, the strong default presumption is that the FAA, not state law, applies the rules
 19 for arbitration.” Sovak v. Chugai Pharmaceutical Co., 280 F.3d 1266, 1269 (9th Cir. 2002).
 20 Accord Shaw Group, Inc. v. Triplefine Int’l Corp., 322 F.3d 115, 123 (2d Cir. 2003) (without
 21 clear language of incorporation, a general choice of law provision held not to have incorporated
 22 state arbitration law into an arbitration agreement); Action Indus., Inc. v. U.S. Fidelity &
 23 Guaranty Co., 358 F.3d 337, 341 (5th Cir. 2004) (same).

26 Under the foregoing authority, even when faced with a general choice-of-law clause
 27 requiring the application of state law, the federal courts have refused to apply state law to
 28

1 arbitration issues such as waiver. See, e.g., Sovak, 280 F.3d at 1269-70 (where arbitration
 2 agreement contained an Illinois choice-of-law clause, the court held that “waiver of the right to
 3 compel arbitration is a rule for arbitration, such that the FAA controls.”); see also Mastrobuono,
 4 514 U.S. at 64 (general choice-of-law provision in contract did not require application of state
 5 law to arbitration clause); Smith Barney, Inc. v. Critical Health Sys. of N.C., 212 F.3d 858 861
 6 n.1 (4th Cir. 2000) (same); Chiron Corp. v. Otho Diagnostic Sys., 207 F.3d 1126, 1131 (9th Cir.
 7 2000) (“Mastrobuono dictates that general choice of law clauses do not incorporate state rules for
 8 arbitration.”).

10 There is nothing, and Plaintiffs cannot point to anything, in the Loan Agreements or the
 11 Arbitration Provision that even purports to require the application of state law to arbitration
 12 issues such as waiver. Furthermore, as noted above, there is clear and unmistakable language in
 13 the Arbitration Provision that requires the application of the FAA. Therefore, Plaintiffs’ waiver
 14 argument must be considered under the FAA.

16 **2. The Rapid Cash Defendants Did Not Waive Their Right To Compel**
 17 **Arbitration Under The Express Language Of The Parties’ Arbitration**
 18 **Provision.**

19 Plaintiffs argue that the Rapid Cash Defendants, by filing prior collection actions
 20 against Plaintiffs in state court, have waived their right to compel the arbitration of the claims
 21 raised in this litigation. Any such argument fails under the clear language of the Arbitration
 22 Provision and as a matter of common sense.

23 The Arbitration Provision provides that a party may file a lawsuit against the other, and
 24 then the other party may elect to arbitrate the dispute. Specifically, the Arbitration Provision
 25 states that the party electing to arbitrate must provide the other party with written notice, and that
 26 such notice “may be given after a lawsuit has been filed and may be given in papers or motions
 27 in the lawsuit.” Arbitration Provision ¶ 3. The Arbitration Provision also explicitly states that,
 28

1 regarding any other pending or previous litigation, *“nothing in that litigation shall constitute a*
2 *waiver of any rights under this Arbitration Provision.”* Arbitration Provision ¶ 2. This
3 language plainly defeats Plaintiffs’ “waiver” argument.

4 Significantly, numerous courts faced with the same “waiver” argument advanced by
5 Plaintiffs here – i.e., that the institution of some prior form of litigation as permitted by the
6 parties’ arbitration agreement constituted a waiver of the right to compel arbitration of a
7 subsequent claim - have unhesitatingly rejected it. See, e.g., Credit Acceptance Corp. v.
8 Davisson, 644 F. Supp.2d 948, 956-57 (N.D. Ohio 2009) (collection agency did not waive its
9 right to compel arbitration of class action counterclaim by filing suit against debtor in state court,
10 because the arbitration clause specifically contemplated either party could file a lawsuit and the
11 other could elect arbitration); Lewallen v. Green Tree Servicing, L.L.C., 487 F.3d 1085, 1091
12 (8th Cir. 2007) (lender’s civil action to collect debt through proof of claim could not constitute
13 waiver of right to compel arbitration of subsequent adversary complaint as the parties’ arbitration
14 agreement explicitly permitted lender to file such a claim); Citifinancial, Inc. v. Farmer, No. 06-
15 4LR, 2006 WL 1273712 (S.D. Miss. May 9, 2006) (institution of collection action could not
16 constitute waiver of right to compel arbitration of subsequent counterclaim in light of the express
17 language of the arbitration agreement permitting such); Fidelity Nat’l Corp. v. Blakely, 305 F.
18 Supp.2d 639, 642 (S.D. Miss. 2003) (same).

19 As in the above-cited cases, the “waiver” argument raised by Plaintiffs here must fail on
20 the shoals of the express language of the parties’ Arbitration Provision.

21
22 **3. Plaintiffs Cannot Establish Any Factual Basis For A Finding Of**
23 **Waiver.**

24 In any event, Plaintiffs cannot establish any factual basis for a finding of waiver by the
25 Rapid Cash Defendants.
26
27
28

1 The law is clear that the Rapid Cash Defendants are to be afforded the presumption that
 2 they did not waive the right to compel arbitration, as any doubts concerning waiver must be
 3 resolved in favor of arbitration as held by the United States Supreme Court. See Moses H. Cohn
 4 Mem'l Hosp. v. Mercury Constr. Corp., 460 U.S. 1, 24-25 (1983); Sovak v. Chugai Pharm. Co.,
 5 280 F.3d 1266, 1270 (9th Cir. 2002) (citing Moses H. Cohn Mem'l Hosp.); Hoxworth v.
 6 Blinder, Robinson & Co., 980 F.2d 912, 926 (3d Cir. 1992). Moreover, waiver may only be
 7 found as a result of a party's "substantial invocation of the litigation process" inconsistent with
 8 its right to compel arbitration. Moses H. Cohn Mem'l Hosp., 460 U.S. at 24-25. Accord Benson
 9 Pump Co. v. S. Cent. Pool Supply, 325 F. Supp. 2d 1152, 1157 (D. Nev. 2004) ("A party
 10 asserting waiver of a right to arbitration must demonstrate . . . acts inconsistent with that existing
 11 right."). Furthermore, "prejudice or harm to the party alleging waiver by litigation" is a
 12 necessary element of any claim as to waiver. Motors Ins. Corp. v. Pasco, Inc., No. 06-2911,
 13 2007 WL 184718, at *8 (N.D. Ohio Jan. 19, 2007); Sovak, 280 F.3d at 1270 (in order to
 14 establish waiver of an arbitration provision, party must prove that he "suffered prejudice from
 15 [Movant's] delay in moving to compel arbitration"). Accord Zimmer v. CooperNeff Advisors,
 16 Inc., 523 F.3d 224, 231 (3d Cir. 2008) ("Whether party has waived its right to arbitrate by its
 17 litigation conduct depends on prejudice to opposing party."); Cotton v. Sloan, 4 F.3d 176, 179
 18 (2d Cir. 1993) ("[w]aiver will be inferred when a party engages in protracted litigation that
 19 results in prejudice to the opposing party"); Walker v. J.C. Bradford & Co., 938 F.2d 575, 577
 20 (5th Cir. 1991) ("[w]aiver will be found when the party seeking arbitration substantially invokes
 21 the judicial process to the detriment or prejudice of the other party.").

22
 23
 24
 25 In the present case, the Rapid Cash Defendants' institution of simple collection actions
 26 cannot be considered to be inconsistent with their contractual right to compel arbitration of
 27 Plaintiffs' subsequent claims in this putative class action. Indeed, the claims raised herein
 28

1 present factual and legal issues distinct from those raised in the collection actions. Therefore, it
 2 would strain credulity to conclude that the Rapid Cash Defendants' institution of those collection
 3 actions could amount to a waiver of their right to compel arbitration of legally and factually
 4 distinct claims, asserted in a later-filed class action, and of which the Rapid Cash Defendants had
 5 no prior notice. See, e.g., Subway Equip. Leasing Corp. v. Forte, 169 F.3d 324, 328 (5th Cir.
 6 1999) (party only invokes the judicial process so as to waive arbitration when it litigates a
 7 specific claim it subsequently seeks to arbitrate); Blakely, 305 F. Supp.2d at 642 (waiver
 8 impossible where lender did not seek to litigate issues surrounding the present counterclaim in its
 9 instant collection action).

11 (b) **The Arbitration Provision Is Not "Unconscionable."**

12 Plaintiffs also argue that the Arbitration Provision at issue here should not be
 13 enforced because it is purportedly "unconscionable." As set forth below, there is absolutely *no*
 14 basis for a finding of "unconscionability" in this case, and the Arbitration Provision should be
 15 enforced as written.

17 1. **Arbitration Provision Is Enforceable Under Kansas Law.**

18 The Arbitration Provision provides that, to the extent that state law is relevant to
 19 determining the enforceability of the Arbitration Provision, the law of the state of Kansas shall
 20 apply. Arbitration Provision ¶ 8. In considering choice-of-law questions for contractual
 21 disputes, Nevada courts follow "the choice of law approach outlined in the Restatement (Second)
 22 of Conflicts (1971)." SEC v. Elmas Trading Corp., 683 F. Supp. 743, 749 (D. Nev. 1987).
 23 Under the Restatement, the "law of the state chosen by the parties to govern their contractual
 24 rights and obligations will be applied" Id. Plaintiffs assert that the choice-of-law provision
 25 should not be enforced because there is no relationship between the Agreements and Kansas.
 26 This argument entirely overlooks the choice-of-law provision's explicit reference to the fact that
 27
 28

1 the Rapid Cash Defendants are headquartered in Kansas, which explains the reasoning behind
2 the choice-of-law provision and provides the necessary relationship between the Arbitration
3 Provision and the application of Kansas law. See Lloyd v. MBNA America Bank, N.A., 2002
4 U.S. App. LEXIS 1027, at *4 (3d Cir. Jan. 7, 2002) (“Because Delaware is MBNA’s state of
5 incorporation and principal place of business, the forum with the most significant contacts with
6 the class is Delaware, not California [plaintiff’s state of residence].”).

8 Here, to the extent Kansas law controls in determining the enforceability of the
9 Arbitration Provision (and Class Action Waiver), there is no basis to conclude that such
10 Provision would be unenforceable under Kansas law. See, e.g., Wilson v. Mike Steven Motors,
11 Inc., 111 P.3d 1076, at *7 (Kan. Ct. App. 2005) (enforcing arbitration agreement containing class
12 action waiver and rejecting various arguments challenging enforceability of agreement).

14 **2. The Arbitration Provision Is Not “Unconscionable” Under Nevada Law.**

15 Nor is there any basis to conclude that the Arbitration Provision is unenforceable on the
16 ground of “unconscionability” under Nevada law.

17 In Nevada, “[s]trong public policy favors arbitration because arbitration generally avoids
18 the higher costs and longer time periods associated with traditional litigation.” D.R. Horton, Inc.
19 v. Green, 96 P.3d 1159, 1162 (Nev. 2004) (citing Burch v. Second Judicial Dist. Ct., 49 P.3d
20 647, 650 (Nev. 2002)). Consistent with the policy favoring arbitration, arbitration provisions
21 may *only* be invalidated if they are both procedurally and substantively unconscionable. Id.

22 Under Nevada law, a “clause is procedurally unconscionable when a party lacks a
23 meaningful opportunity to agree to the clause terms either because of unequal bargaining power,
24 as in an adhesion contract, or because the clause and its effects are not readily ascertainable upon
25 a review of the contract,” and “often involves the use of fine print or complicated, incomplete or
26

1 misleading language that fails to inform a reasonable person of the contractual language's
2 consequences." Id.

3 Substantive unconscionability, on the other hand, focuses on the "one-sidedness" of the
4 contract terms. D.R. Horton, 96 P.3d at 1162-62 (citing Ting v. AT&T, 319 F.3d 1126, 1149
5 (9th Cir. 2003)); Estate of Wildhaber v. Life Care Ctrs. of Am., Inc., Case No. 2:10-cv-00015-
6 RLH-PAL, 2010 U.S. Dist. LEXIS 80563 (D. Nev. July 13, 2010) ("The Nevada Supreme Court
7 approved of the approach taken by the Ninth Circuit in Ting, applying California law in
8 examining substantive unconscionability."). Thus, the doctrine of substantive unconscionability
9 provides that the arbitration agreement must contain a "modicum of bilaterality," and "limits the
10 extent to which a stronger party may, through a contract of adhesion, impose the arbitration
11 forum on the weaker party *without accepting that forum for itself.*" Ting, 319 F.3d at 1149
12 (emphasis added) (citing Armendariz v. Foundation Health Psychcare Services, Inc., 6 P.3d 669,
13 692 (Cal. 2000)).

14
15
16 As explained in depth below, the Arbitration Provision at issue here is not procedurally
17 unconscionable because, inter alia, Plaintiffs had the unfettered right to reject it, though they
18 chose not to do so, and clear and conspicuous disclosures about that right were provided to
19 Plaintiffs. Nor is the Arbitration Provision (or the Class Action Waiver within it) substantively
20 unconscionable because *both* the Rapid Cash Defendants and the Plaintiffs had the same right to
21 seek arbitration of any claims, according to precisely the same terms. In short, Plaintiffs'
22 argument that the Arbitration Provision should not be enforced on the ground of
23 "unconscionability" should be squarely rejected.

24
25 The Arbitration Provision Is Not Procedurally Unconscionable Because
26 Plaintiffs Had the Unconditional Right to Reject It Or To Rescind Their Loan
27 Transaction And Clear And Conspicuous Disclosures Were Provided To
28 Plaintiffs.

As noted above, procedurally unconscionability may be found under Nevada law only if the Plaintiffs lacked “a meaningful opportunity to agree to the clause terms either because of unequal bargaining power, as in an adhesion contract, or because the clause and its effects were not readily ascertainable upon a review of the contract.” D.R. Horton, 96 P.3d at 1162. The Arbitration Provision at issue here does not even come close to satisfying this standard for procedural unconscionability.

As an initial matter, the vast majority of courts have held that, where consumers have the right to reject arbitration provisions, there is no procedural unconscionability.³ Here, the Plaintiffs clearly had a meaningful opportunity to review, and agree to or reject, the terms of the Arbitration Provision, or to rescind the Agreement. The Arbitration Provision contains the following heading in bold face and capitalization: “**RIGHT TO REJECT ARBITRATION.**” Immediately thereafter, the Arbitration Provision provides:

If you do not want this Arbitration Provision to apply, you may reject it within 30 days after the date of your application (“Application”) for check cashing, credit, loan or other services from us (“Services”) [by delivering to us at any of our offices or] by mailing to us in care of Tiger Financial Management, LLC,

³ See, e.g., Clerk v. ACE Cash Express, Inc., No. 09-05117, 2010 U.S. Dist. LEXIS 7978, at *25 (E.D. Pa. Jan. 29, 2010); Freedman v. Comcast Corp., 2010 Md. App. LEXIS 12, at *39-40 (Ct. of Special App. of Md. Jan. 28, 2010); Circuit City Stores, Inc. v. Ahmed, 283 F.3d 1198 (9th Cir. 2002); Circuit City Stores, Inc. v. Najd, 294 F.3d 1104, 1108 (9th Cir. 2002); Providian National Bank v. Screws, 894 So. 2d 625 (Ala. Oct. 3, 2003); Tsadilas v. Providian Nat'l Bank, 13 A.D. 3d 190, 786 N.Y.S. 2d 478 (1st Dep't. 2004); Marley v. Macy's South, No. CV 405-227, 2007 WL 1745619, at *3 (S.D. Ga. June 18, 2007); SDS Autos, Inc. v. Chrzanowski, Case No. 1D06-4293, 2007 WL 4145222 (Fla Ct. App., 1st Dist. Nov. 26, 2007); Honig v. Comcast of Georgia, LLC, Civil Action No. 1:07-cv-1839-TCB, 537 F. Supp. 2d 1277 (N.D. Ga. Jan. 31, 2007); Sanders v. Comcast Cable Holdings, LLC, No. 3:07-cv-918-J-33HTS (M.D. Fla. Jan. 14, 2008); Davidson v. Cingular Wireless, LLC, No. 2:06-cv- 00133, 2007 WL 896349, at *6 (E.D. Ark. Mar. 23, 2007); Martin v. Delaware Title Loans, Inc., No. 08-3322, 2008 WL 4443021 (E.D. Pa. Oct. 1, 2008); Columbia Credit Services, Inc. v. Billingslea, No. B190776, 2007 WL 1982721 (Cal. Ct. App. July 10, 2007); Eaves-Leanos v. Assurant, Inc., No. 07-18, 2008 WL 1805431 (W.D. Ky. Apr. 21, 2008); Enderlin v. XM Satellite Radio Holdings, Inc., No. 06-0032, 2008 WL 830262 (E.D. Ark. March 25, 2008); Crandall v. AT&T Mobility, LLC, No. 07-750, 2008 WL 2796752 (S.D. Ill. July 18, 2008); Webb v. ALC of West Cleveland, Inc., No. 90843, 2008 WL 4358554 (Ohio Ct. App., 8th App. Dist. Sept. 25, 2008); Wright v. Circuit City Stores, Inc., Case No. CV 97-B-0776-5 (N.D. Ala. Feb. 5, 2001); Stiles v. Home Cable Concepts, Inc., 994 F. Supp. 1410 (M.D. Ala. 1998); Guadagno v. E*Trade Bank, No. CV 08-03628 SJO (JCX), 2008 WL 5479062 (C.D. Calif. Dec. 29, 2008); Magee v. Advance America Servicing of Ark., Inc., No. 6:08-CV-6105, 2009 WL 890991 (W.D. Ark. April 1, 2009); Fluke v. CashCall, No. 08-05776, 2009 U.S. Dist. LEXIS 43231 (E.D. Pa. May 21, 2009); Credit Acceptance Corporation v. Davisson, 644 F. Supp. 2d 948 (N.D. Ohio June 30, 2009).

Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205, a written rejection notice which provides your name, address, the date of the Application, the address of the store where you submitted the Application and states that you are rejecting the related Arbitration Provision. If you want proof of the date of such a notice, you should send the notice by "certified mail, return receipt requested." If you use such a method, we will reimburse you for the postage upon your request. Nobody else can reject arbitration for you; this is the only way you can reject arbitration. Your rejection of arbitration will not affect your right to Services or the terms of Services. If you reject this Arbitration Provision, it shall have the effect of rejecting any prior arbitration provision or agreement between you and us that you did not have the right to reject; it will not affect any prior arbitration provision or agreement which you had a right to reject that you did not exercise.

Arbitration Provision at ¶ 1. In other words, Plaintiffs were clearly and directly notified of their right to reject the Arbitration Provision within thirty (30) days of the date of their individual applications. Moreover, Plaintiffs were on notice that the rejection of the Arbitration Provision "[would] not affect [their] right to Services or the terms of Services." *Id.* As such, the Arbitration Provision cannot be found to have been a procedurally unconscionable contract of adhesion, as Plaintiffs were clearly notified of their right to reject the Provision, and thus had a meaningful opportunity to agree to, or alternatively reject, the terms.⁴

The Plaintiffs cite to Hoffman v. Citibank, N.A., 546 F.3d 1078 (9th Cir. 2008) for the proposition that California courts have held arbitration agreements procedurally unconscionable despite the presence of an opt-out clause. Opposition Brief p. 16. However, this is a misleading application of the Hoffman case. In fact, Hoffman did not decide that an opt-out right is ineffectual to defeat a procedural unconscionability argument. Rather, Hoffman stated that the "dispositive questions that the district court has thus far not addressed, however, are the practical impacts of Citibank's 'non-acceptance instructions' and whether, when placed on California's sliding scale, the non-acceptance provision renders the class arbitration waiver conscionable when compared to the degree of substantive unconscionability. We have held that providing a

⁴ Relatedly, the Quintino Agreement provided the right to rescind the loan transaction without charge. See Quintino Agreement, Gee Affidavit at Exhibits H-J, p. 1.

1 'meaningful opportunity to opt out' *can preclude a finding of procedural unconscionability and*
 2 *render an arbitration provision enforceable.*" Hoffman, 546 F.3d at 1085 (9th Cir. Cal. 2008)
 3 (emphasis added) (citing Circuit City Stores, Inc. v. Ahmed, 283 F.3d 1198, 1199 (9th Cir.
 4 2002)). The Ninth Circuit remanded the issue to the district court for further consideration. Id.

5 In addition, the Arbitration Provision and its effects were clearly and "readily
 6 ascertainable upon a review of the contract." See D.R. Horton, 96 P.3d at 1162. In this regard,
 7 the Court should note that the Arbitration Provision spans three of the five pages making up the
 8 Deferred Deposit Agreement & Disclosure Statement. The first paragraph contains the
 9 following heading in bold face and capitalization: "**ARBITRATION PROVISION.**"

10 Immediately thereafter, the Arbitration Provision provides in capitalized letters:

11
 12 VERY IMPORTANT. READ THIS ARBITRATION PROVISION
 13 CAREFULLY. IT SETS FORTH WHEN AND HOW CLAIMS (AS
 14 DEFINED IN SECTION 2 BELOW) WHICH YOU OR WE HAVE
 15 AGAINST ONE ANOTHER WILL BE ARBITRATED INSTEAD OF
 16 LITIGATED IN COURT. IF YOU DON'T REJECT THIS ARBITRATION
 17 PROVISION IN ACCORDANCE WITH SECTION 1 BELOW, UNLESS
 18 PROHIBITED BY APPLICABLE LAW. IT WILL HAVE A SUBSTANTIAL
 19 IMPACT ON THE WAY IN WHICH YOU OR WE RESOLVE ANY CLAIM
 20 WHICH YOU OR WE HAVE AGAINST EACH OTHER NOW OR IN THE
 21 FUTURE.

22 Arbitration Provision at preamble.

23 Regarding the Class Action Waiver contained within the Arbitration Provision, the fifth
 24 numbered paragraph contains the following heading in bold face and capitalization: "**NO**
 25 **CLASS ACTIONS OR SIMILAR PROCEEDINGS: SPECIAL FEATURES OF**
 26 **ARBITRATION.**" Immediately thereafter, the Arbitration Provision provides in capitalized
 27 letters:

28 IF YOU OR WE ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR
 WE WILL HAVE THE RIGHT TO: (A) HAVE A COURT OR A JURY
 DECIDE THE CLAIM; (B) OBTAIN INFORMATION PRIOR TO THE
 HEARING TO THE SAME EXTENT THAT YOU OR WE COULD IN
 COURT; (C) PARTICIPATE IN A CLASS ACTION IN COURT OR IN

1 ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS
 2 MEMBER OR CLASS OPPONENT; (D) ACT AS A PRIVATE ATTORNEY
 3 GENERAL IN COURT OR IN ARBITRATION; OR (E) JOIN OR
 4 CONSOLIDATE CLAIM(S) INVOLVING YOU WITH CLAIMS INVOLVING
 5 ANY OTHER PERSON. THE RIGHT TO APPEAL IS MORE LIMITED IN
 6 ARBITRATION THAN IN COURT. OTHER RIGHTS THAT YOU WOULD
 7 HAVE IF YOU WENT TO COURT MAY ALSO NOT BE AVAILABLE IN
 8 ARBITRATION.

9 Arbitration Provision at ¶ 5 (the "Class Action Waiver").

10 The Arbitration Provision also contains a clear waiver of the right to a jury trial, setting
 11 forth the following heading in bold face and capitalization: "**JURY TRIAL WAIVER.**" The
 12 paragraph immediately following this heading states:

13 YOU AND WE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY
 14 JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED
 15 UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED
 16 BY LAW, YOU AND WE, AFTER HAVING HAD THE OPPORTUNITY
 17 TO CONSULT WITH COUNSEL, KNOWINGLY AND VOLUNTARILY,
 18 AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVE ANY
 19 RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING
 20 OUT OF OR RELATED TO THIS AGREEMENT. THIS JURY TRIAL
 21 WAIVER SHALL NOT AFFECT OR BE INTERPRETED AS MODIFYING
 22 IN ANY FASHION ANY SEPARATE ARBITRATION PROVISION
 23 BETWEEN YOU AND US, WHICH CONTAINS ITS OWN SEPARATE
 24 JURY TRIAL WAIVER.

25 Arbitration Provision p. 5.⁵

26 The Arbitration Provision clearly explains that it sets forth "WHEN AND HOW
 27 CLAIMS . . . WHICH YOU OR WE HAVE AGAINST ONE ANOTHER WILL BE
 28 ARBITRATED INSTEAD OF LITIGATED IN COURT" and that "IF YOU OR WE ELECT
 TO ARBITRATE A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO: (A)
 HAVE A COURT OR A JURY DECIDE THE CLAIM . . . (C) PARTICIPATE IN A CLASS

⁵ The Quintino Agreement similarly provides in bold and capital letters that "**YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM AGAINST US.**" Quintino Agreement, Gee Affidavit at Exhibits H-J, p. 3 (emphasis in original).

1 ACTION IN COURT OR IN ARBITRATION EITHER AS A CLASS REPRESENTATIVE,
 2 CLASS MEMBER OR CLASS OPPONENT” Arbitration Provision at preamble, ¶ 5.

3 In addition, at the end of the Arbitration Provision, just above the signature line, contains
 4 the following “Important Notices:”

5 **Important Notices**

6 **BY SIGNING THIS AGREEMENT OR APPLYING FOR A**
 7 **LOAN:**

8 **YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY**
 9 **JURY TO RESOLVE ANY CLAIM AGAINST US.**

10 **YOU WILL NOT BE ENTITLED TO HAVE A COURT,**
 11 **OTHER THAN A SMALL CLAIMS COURT OR JUSTICE**
 12 **COURT, RESOLVE ANY CLAIMS AGAINST US.**

13 **YOU WILL NOT BE ABLE TO BRING, JOIN OR**
 14 **PARTICIPATE IN ANY CLASS ACTION LAWSUIT**
 15 **AGAINST US.**

16 Arbitration Provision p. 5.⁶

17 Plaintiffs were given the Agreements with the Arbitration Provision each time they
 18 sought a loan with the Rapid Cash Defendants. None of the Plaintiffs rejected the Arbitration
 19 Provision or acted to rescind their Agreements, and all of the Plaintiffs executed their respective
 20 Agreements on the signature line under the bolded notices. Due to the above-quoted abundantly
 21 clear language and the bolded and capitalized terms, it would stretch the imagination to believe
 22 that the Plaintiffs were unable to ascertain the effect of the Arbitration Provision upon even a
 23 cursory review of their Agreements.

24 In short, because the Plaintiffs had an unconditional right to reject the Arbitration
 25 Provision without losing any other contractual rights, including the basic right to obtain the loan
 26 sought, or to rescind the contract without charge, and because the Arbitration Provision was

27 ⁶ The Quintino Agreement contained substantially the same notices. See Quintino Agreement, Gee Affidavit at
 28 Exhibits H-J, pp. 3-4.

1 clearly labeled, spanned more than half of the Agreement, had numerous bolded and capitalized
 2 notices regarding the “important” rights being given up, and contained a reiteration of the waiver
 3 of a right to bring claims in court or to bring a class action immediately above the signature line,
 4 the Arbitration Provision contained in the Agreement cannot be found to have been procedurally
 5 unconscionable.

6
 7 a) The Arbitration Provision and Class Action Waiver Are Not
 8 Substantively Unconscionable.

9 Because the Arbitration Provision is not procedurally unconscionable, this Court need not
 10 reach the issue of substantive unconscionability. See D.R. Horton, 96 P.3d at 1162 (“both
 11 procedural **and** substantive unconscionability must be present in order for a court to exercise its
 12 discretion to refuse to enforce” an arbitration provision) (emphasis added). However, as
 13 discussed *infra*, the Arbitration Provision and the Class Action Waiver are not substantively
 14 unconscionable in any event.

15 As noted above, the Court can find the Arbitration Provision (and Class Action Waiver)
 16 substantively unconscionable under Nevada law only if the Provision is one-sided and lacks a
 17 “modicum of bilaterality.” Ting, 319 F.3d at 1149 (“Although parties are free to contract for
 18 asymmetrical remedies and arbitration clauses of varying scope . . . the doctrine of
 19 unconscionability limits the extent to which a stronger party may, through a contract of adhesion,
 20 impose the arbitration forum on the weaker party without accepting that forum for itself.”). That
 21 standard is not satisfied here because the terms of the Arbitration Provision apply equally to both
 22 parties.
 23
 24 ...
 25 ...
 26 ...
 27 ...
 28

i) The Arbitration Provision.

The Arbitration Provision, by its terms, applies *equally* to the Plaintiffs and the Rapid Cash Defendants.⁷ Indeed, the preamble notes that the Arbitration Provision sets forth how claims that the Plaintiffs and the Rapid Cash Defendants have *against one another* will be arbitrated. It also states that, “you and we agree that *either party may elect to require arbitration* of any Claim under the following terms and conditions.” Arbitration Provision at Preamble (emphasis added). The Arbitration Provision goes on to state that, in order to make the arbitration election, “you or we must give written notice” Arbitration Provision ¶ 3. In other words, the Arbitration Provision is not one-sided, but rather applies equally to both Plaintiffs and the Rapid Cash Defendants – allowing either party to the Agreement to elect to arbitrate claims brought by the other party.

In addition to the bilateral nature of the Arbitration Provision, the Arbitration Provision contains numerous features to ensure that customers such as the Plaintiffs are able to pursue claims against the Rapid Cash Defendants in an individual arbitration in a fair, and cost-effective, manner. For example, in addition to allowing the Plaintiffs to reject the Arbitration Provision altogether by providing notice within 30 days after entering the Agreement, the Rapid Cash Defendants have agreed in the Arbitration Provision, inter alia:

- To hold any arbitration hearing, if one is necessary, at a place that is reasonably convenient for the customer;⁸

⁷ The Quintino Agreement is similarly bilateral, requiring both parties to submit to mediation prior to a lawsuit or arbitration. It states that “[y]ou and we agree that before either of us starts a lawsuit, arbitration proceeding or any other legal proceeding, we will submit any and all “Claims” that we have against you, and you will submit any and all Claims that you have against us, to neutral, individual (and not class) mediation. Quintino Agreement, Gee Affidavit at Exhibits H-J, p. 2. It goes on to state that “[i]f you and we are not able to resolve a Claim in mediation, then you and we agree that such Claim will be resolved by neutral, individual (and not class) arbitration.” Quintino Agreement, Gee Affidavit at Exhibits H-J, p. 3.

⁸ Arbitration Provision ¶ 4. The Quintino Agreement similarly provides that “[a]ny arbitration hearing, if one is held, will take place at a location near your residence.” Quintino Agreement, Gee Affidavit at Exhibits H-J, p. 3.

- To consider any good faith request made by a customer for the Rapid Cash Defendants to pay the administrator's or arbitrator's filing, administrative, hearing and/or other fees if the customer cannot obtain a waiver of such fees from the administrator. The Rapid Cash Defendants will not seek or accept reimbursement of any such fees;⁹
- That the arbitrator is authorized to follow applicable substantive law and shall be authorized to "award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages . . . declaratory, injunctive and other equitable relief, and attorneys' fees and costs;"¹⁰ and
- That if the customer prevails in an individual (non-class) arbitration, the arbitrator shall award as a minimum amount of damages (excluding amounts for arbitration fees, attorney's fees, and costs, if any), "an amount that is \$100 greater than the jurisdictional limit of the small claims court (or your state's equivalent court) in the county in which you reside."¹¹

These consumer-friendly aspects of the Arbitration Provision defeat any claim by Plaintiffs that it is substantively unconscionable in requiring them to arbitrate on an individual basis.

The Arbitration Provision also enables Plaintiffs to pursue their claims in a cost-effective manner -- by allowing recovery of reasonable attorneys' fees if successful -- in an individual arbitration.¹² Indeed, numerous courts have held that the ability to recover attorneys' fees is a powerful incentive for an attorney to represent a plaintiff in an individual arbitration, even in a small-dollar case. See, e.g., Johnson v. West Suburban Bank, 225 F.3d 366, 374 (3d Cir. 2000)

⁹ Id. In this regard, the Quintino Agreement provides that, if the arbitrator does not waive the fees for Quintino, the Rapid Cash Defendants will advance Quintino's fees. No reimbursement is required if Quintino prevails.

¹⁰ Arbitration Provision ¶ 8.

¹¹ Arbitration Provision ¶ 8. In other words, if the applicable court can "decide claims up to \$5,000, then if [the customer] prevail[s] in an individual arbitration, [the customer] will receive a minimum of \$5,100 even if the amount [the customer] would otherwise be entitled to receive is less than that amount." Id.

¹² Id. Because the Arbitration Provision requires the arbitrator to apply applicable substantive law, if a statute that is the basis for a customer's claim authorizes the prevailing party to recover attorneys' fees, that statute will be given effect in arbitration. But even if a statute or common law claim does not authorize fee-shifting, the Rapid Cash Defendants have contractually agreed to pay reasonable attorneys' fees to a prevailing plaintiff. The arbitrator is not authorized to limit the attorney's fees and costs to which the prevailing plaintiff is entitled because of the small nature of the claim brought. In this regard, the Quintino Agreement gives the arbitrator discretion to "award the prevailing party its attorneys' fees and arbitration expenses." Quintino Agreement, Gee Affidavit at Exhibits H-J, p. 3.

(holding that an arbitration clause that prohibited class actions would not choke off the supply of lawyers willing to represent Truth in Lending Act ("TILA") debtors because TILA permits successful plaintiffs to recover attorneys' fees), cert. denied, 531 U.S. 1145 (2001); Jenkins v. First American Cash Advance of Ga., LLC, 400 F.3d 868 (11th Cir. 2005) (court enforced class action waiver in arbitration agreement between consumer and payday lender, holding that where arbitration agreement permits fee shifting if allowed by applicable law and preserves the parties' substantive remedies, lawyers will be willing to represent the consumer on an individual basis and the company will not be immunized against unlawful conduct), cert. denied, 126 S. Ct. 1457 (2006); Snowden v. CheckPoint Check Cashing, 290 F.3d 631, 638-39 (4th Cir. 2002) (rejecting argument that plaintiff "will be unable to maintain her legal representation given the small amount of her individual damages" where statute permitted fee-shifting), cert. denied, 537 U.S. 1087 (2002); Gipson v. Cross Country Bank, 294 F. Supp. 2d 1251, 1261-62 (M.D. Ala. 2003) (rejecting argument that class action was necessary for plaintiff to vindicate her statutory rights because plaintiff could recover her attorneys' fees if she was successful in the arbitration).¹³

All of the above-referenced terms contained within the Arbitration Provision make arbitration a fair, and cost-effective, method of adjudicating a dispute outside of a court and outside of a class action lawsuit, and defeat the argument that such Provision is substantively unconscionable.

¹³ Underscoring this point, there are numerous cases in which a sizeable attorneys' fee was awarded even though the plaintiff's individual recovery was relatively small. See, e.g., Dee v. Sweet, 218 Ga. App. 18, 460 S.E.2d 110 (1995) (awarding \$258,360 in attorneys' fees and \$1.00 in actual damages); Ex parte Edwards, 601 So. 2d 82 (Ala. 1992) (\$43,000 in attorneys' fees regarding \$2,544 note); Johnson v. Eaton, 958 F. Supp. 261, 264 (M.D. La. 1997) (\$13,410 fee award, nearly 27 times damage award); Ratner v. Chemical Bank N.Y. Trust Co., 54 F.R.D. 412, 416 (S.D.N.Y. 1972) (\$20,000 attorney fee; \$0 actual damages and \$100 of statutory damages). See also Christopher R. Drahozal, Arbitration Costs and Contingent Fee Contracts, 59 Vand. L. Rev. 729, 772 (2006) ("[C]ourts should take into account the applicability of fee shifting statutes in determining whether a claim is economical to bring in arbitration The prospect of a fee recovery may make even a case seeking small monetary damages attractive to an attorney. Thus, in evaluating the amount at stake in arbitration (and thus whether the claim is economical to bring), a court must consider not only the damages sought by the claimant but also any possible attorneys' fee recovery.").

ii) The Class Action Waiver.

The Class Action Waiver (which is contained within the Arbitration Provision) similarly is not one-sided, but rather applies equally to both Plaintiffs and the Rapid Cash Defendants. It states that if “YOU OR WE ELECT TO ARBITRATE A CLAIM, **NEITHER YOU NOR WE WILL HAVE THE RIGHT TO . . . (C) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR CLASS OPPONENT.**” Arbitration Provision ¶ 5 (emphasis added).¹⁴

In addition, it is well-established under the FAA that class action procedures are waivable by parties to an arbitration agreement. See, e.g., Gay v. CreditInform, 511 F.3d 369, 393 (3d Cir. 2007) (the right to a class action [is] ‘merely a procedural one’ pursuant to the Federal Rules of Civil Procedure, and . . . ‘may be waived’”) (citation omitted); Sanders v. Robinson Humphrey/American Express, Inc., 634 F. Supp. 1048, 1065 (N.D. Ga. 1986) (class action rule a mere “procedural device”), aff’d in part and rev’d in part on different grounds, 827 F.2d 718 (11th Cir. 1987), cert. denied, 485 U.S. 959 (1988); Dienese v. McKenzie Check Advance of Wis., LLC, No. 99-C-50, 2000 U.S. Dist. LEXIS 20389, at *24 (E.D. Wis. Dec. 11, 2000) (enforcing arbitration clause barring class actions since “consumers are not signing away a substantive right”); Caudle v. American Arb. Ass’n, 230 F.3d 920, 921 (7th Cir. 2000) (“[a] procedural device aggregating multiple persons’ claims in litigation does not entitle anyone to be in litigation”); Zawikowski v. Beneficial National Bank, No. 98 C 2178, 1999 WL 35304, at *2 (N.D. Ill. Jan. 11, 1999) (“[n]othing prevents the Plaintiffs from contracting away their right to a class action”).

¹⁴ In this regard, the Quintino Agreement provides that “**YOU WILL NOT BE ABLE TO BRING, JOIN OR PARTICIPATE IN ANY CLASS ACTION LAWSUIT AGAINST US.**” Quintino Agreement, Gee Affidavit at Exhibits H-J, p. 4 (emphasis in original).

Perhaps most significantly, just this year the United States Supreme Court in Stolt-Nielsen S.A. v. AnimalFeeds Int'l Corp. held that the FAA prohibits the imposition of class procedures where the parties did not explicitly agree to them. 130 S. Ct. 1758, 1782 (2010) (“a party may not be compelled under the FAA to submit to class arbitration unless there is a contractual basis for concluding that the party *agreed* to do so.”) (emphasis in original). The Supreme Court emphasized that, when “enforcing an agreement to arbitrate or construing an arbitration clause, courts ... must ‘give effect to the contractual rights and expectations of the parties’” and that “‘the parties’ intentions control.” Id. at 1773-74 (citations omitted). Stolt-Nielsen was a case in which the parties’ arbitration agreement was silent with respect to class proceedings, whereas the Arbitration Provision in this case sets forth the parties’ express agreement that arbitration will be individual -- not class-wide -- in nature. Therefore, Stolt-Nielsen’s holding applies with even greater force in this case given the parties’ express agreement to forego class arbitration.

Further underscoring the enforceability of the Class Action Waiver, the Arbitration Provision explicitly exempts from the arbitration option afforded to both parties claims brought in small claims court or the equivalent court in the consumer’s state of residence. Arbitration Provision ¶ 2.¹⁵ Indeed, numerous courts have held that such a small claims court “carve-out” supports a finding that a class action waiver is *not* unconscionable or against public policy. See, e.g., Jenkins v. First American Cash Advance of Ga., Inc., 400 F.3d 868, 879 (11th Cir. 2005), cert. denied, 126 S. Ct. 1457 (2006); Howard v. Wells Fargo Minn., N.A., No. 06-2821, 2007 WL 2778664, at *5 (N.D. Ohio Sept. 21, 2007) (enforcing class action waiver because “small

¹⁵ The Arbitration Provision provides that all “Claims” are subject to arbitration, but notes that the term “does not include any individual action brought by you in small claims court or your state’s equivalent court . . . any such actions and assertions of this kind will be resolved by a court and not an arbitrator.” Arbitration Provision ¶ 2. Similarly, the Quintino Agreement provides that “You and we each have the right to bring a Claim in a small claims or the proper Las Vegas Justice Court, as long as the Claim is within the jurisdictional limits of that court.” Quintino Agreement, Gee Affidavit at Exhibits H-J, p. 3.

1 claims lawsuits are a viable option”); Providian National Bank v. Screws, 894 So.2d 625 (Ala.
2 2003) (same).

3 In short, Plaintiffs here had the unconditional ability to reject the Arbitration Provision,
4 which contained abundantly clear terms setting forth the specific rights the Plaintiffs and the
5 Rapid Cash Defendants were giving up. In addition, the Arbitration Provision and Class Action
6 Waiver applied equally to Plaintiffs and the Rapid Cash Defendants, and contained additional
7 provisions ensuring that Plaintiffs would have realistic and non-illusory access to a fair,
8 convenient and affordable forum in which to bring their claims. As a matter of law, therefore,
9 the Arbitration Provision and the Class Action Waiver are neither procedurally nor substantively
10 unconscionable under Nevada law, and should be enforced according to their terms.
11

12 (c) **The FAA Preempts Any Argument That The Arbitration Provision Is**
13 **Unenforceable Under State Law.**

14 Finally, the argument advanced by Plaintiffs that the Arbitration Provision is
15 unenforceable under the laws of Nevada or Kansas should be rejected on the additional ground
16 that it is preempted by federal law, specifically, the FAA.

17 The FAA “is a congressional declaration of a liberal policy favoring arbitration.” Moses
18 H. Cone Mem. Hosp. v. Mercury Constr. Corp., 460 U.S. 1, 24 (1983). The United States
19 Supreme Court has demonstrated the primacy of federal law by repeatedly invalidating state laws
20 that attempt to limit the enforceability of arbitration agreements. In invalidating these laws, the
21 Supreme Court has explained that the FAA “is a congressional declaration of a liberal federal
22 policy favoring arbitration agreements, notwithstanding any state substantive or procedural
23 policies to the contrary.” Perry v. Thomas, 482 U.S. 483, 489 (1987) (emphasis added)
24 (California statute that required litigants to be provided a judicial forum for resolving wage
25 disputes “must give way” to Congress’ intent to provide for enforcement of arbitration
26 agreements). In Circuit City Stores, Inc. v. Adams, 532 U.S. 105, 121 (2001), the Supreme
27
28

1 Court specifically rejected arguments that broadly applying the FAA to employment contracts
 2 would “intrude[] upon the policies of the separate states.” The Court found the policies of state
 3 laws irrelevant because “Congress intended the FAA . . . to preempt state anti-arbitration laws.”
 4 Id. at 122. Accord Southland Corp. v. Keating, 465 U.S. 1 (1984).

5
 6 Most recently, in Preston v. Ferrer, 128 S. Ct. 978 (2008), the Supreme Court held that
 7 “[w]hen parties agree to arbitrate all questions arising under a contract, the FAA supersedes state
 8 laws lodging primary jurisdiction in another forum, whether judicial or administrative.” Id. at
 9 987. As the Supreme Court reiterated, the FAA’s “national policy favoring arbitration” displaces
 10 any conflicting state law: “That national policy . . . appli[es] in state as well as federal courts and
 11 foreclose[s] state legislative attempts to undercut the enforceability of arbitration agreements.
 12 The FAA’s displacement of conflicting state law is now well-established, and has been
 13 repeatedly reaffirmed.” Id. at 983.

14
 15 In light of the foregoing, courts, state and federal, repeatedly have held that a state law
 16 cannot invalidate an arbitration agreement because it contains certain terms, such as a bar on
 17 class actions, that are permitted by the FAA. See, e.g., Gay v. CreditInform, 511 F.3d 369 (3d
 18 Cir. 2007) (concluding that the FAA preempted a series of intermediate state court cases holding
 19 arbitration agreements with class action waivers unconscionable); Am. Gen’l Life & Accident
 20 Ins. Co. v. Wood, 429 F.3d 83, 89-90 (4th Cir. 2005); Ope Internat’l v. Chet Morrison
 21 Contractors, Inc., 258 F.3d 443, 446-47 (5th Cir. 2001); Management Recruiters Internat’l v.
 22 Bloor, 129 F.3d 851, 856 (6th Cir. 1997); In re David’s Supermarkets, Inc., 43 S.W.3d 94, 98
 23 (Tex. App. 2001); Pyburn v. Bill Heard Chevrolet, 63 S.W.3d 351, 361 (Tenn. App. 2001).

24
 25 As noted by the Supreme Court, “[w]hile the interpretation of an arbitration agreement is
 26 generally a matter of state law, the FAA imposes certain rules of fundamental importance,
 27 including the basic precept that arbitration ‘is a matter of consent, not coercion.’” Stolt-Nielsen
 28

1 S. A. v. AnimalFeeds Int'l Corp., 130 S. Ct. 1758, 1773 (2010) (citing Volt Information
 2 Sciences, Inc. v. Board of Trustees of Leland Stanford Junior Univ., 489 U.S. 468, 479 (1989)).

3 The “central or ‘primary’ purpose of the FAA is to ensure that ‘private agreements to arbitrate
 4 are enforced according to their terms.’” Id. In the instant case, there is no dispute in that the
 5 Arbitration Provision by its express terms precludes class actions. Under Stolt-Nielsen that
 6 should end the matter. Accordingly, notwithstanding the choice of law to be applied to this
 7 matter, the parties’ Arbitration Provision is enforceable under Stolt-Nielsen.
 8

9 Under the foregoing authority, the FAA specifically preempts any argument raised by
 10 Plaintiffs here that the Arbitration Provision is unenforceable under the laws of Nevada or
 11 Kansas.

12 (d) **The Dispute is Within the Scope of the Arbitration Provision.**

13 Plaintiffs argue that their claims against the Rapid Cash Defendants are outside
 14 the scope of the Arbitration Provision. However, as discussed below, the Arbitration Provision
 15 provides that questions of the scope of the Provision are to be determined by the arbitrator. In
 16 addition, Plaintiffs’ claims clearly fall within the scope of the Arbitration Provision.
 17

18 1. **The Arbitration Provision Provides That The Arbitrator Must Decide**
 19 **Whether A Dispute Is Within The Scope Of The Agreement.**

20 Foremost, the Arbitration Provision expressly provides that “you and we agree that either
 21 party may elect to require arbitration of any Claim” The term “Claim” – explicitly made
 22 subject to arbitration – is defined to include “any claim, dispute or controversy between you and
 23 us . . . that arises or relates in any way to . . . *the validity, enforceability or scope of this*
 24 *Arbitration Provision.*” Arbitration Provision ¶ 2 (emphasis added).¹⁶
 25
 26

27 ¹⁶ Similarly, the Quintino Agreement provides that “‘Claims’ also includes any and all claims that arise out of
 28 (i) the validity, scope and/or applicability of this Mediation Agreement or the Arbitration Agreement”
 Quintino Agreement, Gee Affidavit at Exhibits H-J, p. 2.

1 The above-quoted contractual language makes clear that it is the arbitrator who is
 2 charged with determining whether a given dispute falls within the scope of the Arbitration
 3 Provision here. Indeed, while courts often decide so-called "gateway matters" such as "whether
 4 a concededly binding arbitration clause applies to a certain type of controversy," Green Tree
 5 Fin. Corp. v. Bazzle, 539 U.S. 444, 452 (2003), this rule does not apply where the parties have
 6 "clearly and unmistakably provided otherwise" in their arbitration agreement. Howsam v.
 7 Dean Witter Reynolds, 537 U.S. 79, 83 (2002) (quoting AT&T Techs. Inc. v. Communications
 8 Workers, 475 U.S. 643, 649(1986)); First Options of Chicago, Inc. v. Kaplan, 514 U.S. 938, 943
 9 (1995) ("Just as the arbitrability of the merits of a dispute depends upon whether the parties
 10 agreed to arbitrate that dispute, so the question 'who has the primary power to decide
 11 arbitrability' turns upon what the parties agreed about that matter.") (emphasis in original). As
 12 one federal court explained, "[g]enerally, courts and arbitrators need to look no further than the
 13 language of the written contract between the parties to find 'clear and unmistakable evidence'
 14 that the parties intended to submit the question of arbitrability to arbitration." Daugherty v.
 15 Washington Square Sec., Inc., 271 F. Supp.2d 681, 687 (W.D. Pa. 2003).

16 Here, the parties entered into the Arbitration Provision which clearly provided that any
 17 questions as to its scope, validity, or enforceability were for the arbitrator to decide. As such,
 18 this Court should grant the Rapid Cash Defendants' Motion to Compel and should allow the
 19 arbitrator to decide whether Plaintiffs' claims are within the scope of the Provision.

20
 21
 22
 23 **2. Even If The Court Must Determine Whether A Dispute Is Within The**
 24 **Scope Of The Arbitration Agreement, Each And Every One Of**
 25 **Plaintiffs' Claims Are With The Broad Scope Of The Agreement.**

26 The Arbitration Provision broadly defines "Claims" subject to arbitration as follows:

27 The term "Claim" means any claim, dispute or controversy
 28 between you and us ... that arises from or relates in any way to
 Services you request or we provide, now, in the past or in the
 future; the Application (or any prior or future application); any

agreement relating to Services ("Services Agreement"); any of our marketing, advertising, solicitations and conduct relating to your request for Services; our collection of any amounts you owe; our disclosure of or failure to protect any information about you; you're the validity, enforceability or scope of this Arbitration Provision. "Claim" is to be given the broadest possible meaning and includes claims of every kind and nature, including but not limited to, initial claims, counterclaims, cross-claims and third-party claims, and claims based on any constitution, statute, regulation, ordinance or common law rule (including rules relating to contracts, negligence, fraud or other intentional wrongs) and equity. It includes disputes that seek relief of any type, including damages and/or injunctive, declaratory or other equitable relief.

Arbitration Provision ¶ 2.

Under the above-quoted language of the Arbitration Provision and well-settled law, Plaintiffs' claims clearly fall within the broad scope of the Arbitration Provision. The FAA mandates that "any doubts concerning the scope of arbitrable issues should be resolved in favor of arbitration." Moses H. Cohn Mem'l Hosp., 460 U.S. at 24-25 (1983); accord Fazio v. Lehman Bros., 340 F.3d 386, 392 (6th Cir. 2003); Howard v. Wells Fargo, No. 06-2821, 2007 WL 2778664, at *2 (N.D. Ohio Sept. 21, 2007). Accordingly, the United States Supreme Court has held that a presumption of arbitrability exists where a contract contains an arbitration clause, and that an order to arbitrate should not be denied "unless it may be said with positive assurance that the arbitration clause is not susceptible to an interpretation that covers the asserted dispute." AT&T Technologies, 475 U.S. at 650. The presumption in favor of arbitrability "is particularly strong when the arbitration clause in question is broad," as it is in this case. Id. Indeed, as reaffirmed by the Supreme Court in Randolph, "the party resisting arbitration bears the burden of proving that the claims at issue are unsuitable for arbitration." Green Tree Fin. Corp. v. Randolph, 531 U.S. 79, 91 (2000); Inlandboatmens Union of the Pac. v. Dutra Group, 279 F.3d 1075, 1079 (9th Cir. 2002) ("The burden thus falls upon the party contesting arbitrability to show how the language of the arbitration clause excludes a dispute from the clause's purview.").

1 Here, Plaintiffs' claims are all related to the Rapid Cash Defendants' collection efforts,
 2 and are clearly covered under the broad language of the Arbitration Provision. The Arbitration
 3 Provision expressly provides that the claims subject to arbitration include claims relating to "our
 4 collection of any amounts you owe." Arbitration Provision ¶ 2. The Arbitration Provision
 5 further provides that the term "Claim" is "to be given the broadest possible meaning and includes
 6 claims of every kind and nature . . . It includes disputes that seek relief of any type, including
 7 damages and/or injunctive, declaratory or other equitable relief." *Id.* Indeed, it is well settled
 8 that claims for injunctive relief are subject to arbitration. See Arriaga v. Cross Country Bank,
 9 163 F.Supp.2d 1189, 1192-93 (S.D. Cal. 2001); Lozano v. AT&T Wireless, 216 F.Supp.2d 1071,
 10 1076-77 (C.D. Cal. 2002).

12 "It is difficult to imagine broader general language than that contained in the ...
 13 arbitration clause 'any dispute' . . ." Sedco v. Petroleos Mexilanos Mexican Nat'l Oil, 767 F.2d
 14 1140, 1145 (5th Cir. 1985) (citation omitted). Indeed, an arbitration clause that contains the
 15 phrase "any claim or controversy arising out of or relating to the agreement" is considered the
 16 paradigm of a broad clause. See, e.g., Collins & Aikman Products Co. v. Building Systems Inc.,
 17 58 F.3d 16, 20 (2nd Cir. 1995); ADR/JB, Corp. v. MCY III, Inc., 299 F. Supp.2d 110, 114 (E.D.
 18 N.Y. 2004).

20 Numerous courts have interpreted language in arbitration clauses similar to that in the
 21 present case to find that they had a broad reach and covered all manner of statutory and tort
 22 claims. See, e.g., Kiefer Specialty Flooring, Inc. v. Tarkett, Inc., 174 F.3d 907, 909 (7th Cir.
 23 1999) ("Similar types of arbitration provisions have been characterized as extremely broad and
 24 capable of expansive reach."); Am. Recovery Corp. v. Computerized Thermal Imaging, Inc., 96
 25 F.3d 88, 93 (4th Cir. 1996) (holding that an arbitration clause that provided arbitration for any
 26 dispute that "ar[ose] out of or related to" the agreement was a broad clause, "capable of
 27
 28

expansive reach”); Coors Brewing Co. v. Molson Breweries, 51 F.3d 1511 (10th Cir. 1995) (arbitration clause covering “any dispute arising in connection with the implementation, interpretation or enforcement of agreement” covered antitrust disputes); Pritzker v. Merrill Lynch, Pierce, Fenner & Smith, Inc., 7 F.3d 1110, 1114 (3d Cir. 1993) (arbitration clause covering “all controversies” that may arise between signatories “broadly construed. . . to apply to all disputes between signatories”); Dean Witter Reynolds, Inc. v. Daily, 12 F. Supp.2d 1319, 1321 (S.D. Fla. 1998) (arbitration clause covering “all controversies” constituted “clear and unmistakable evidence that the parties agreed to submit all their claims to arbitration”); Leopold v. Delphi Internet Serv., No. 96-4475, 1996 WL 628593, at *2 (E.D. Pa. Oct. 24, 1996) (arbitration clause covering “any dispute arising” from contract covered fraud claims arising in signatories’ business relationship); Acquaire v. Canada Dry Bottling, 906 F. Supp. 819, 835 (E.D.N.Y. 1995) (clause requiring arbitration of disputes “concerning the interpretation or application of” the contract held to encompass RICO claims).

The Plaintiffs rely on Aiken v. World Fin. Corp., 644 S.E.2d 705 (S.C. 2007) to argue that the Arbitration Provision should not apply to unforeseeable torts. Opposition Brief p. 24. However, the arbitration agreement in Aiken apparently did not contain specific language providing that tort and statutory claims are subject to arbitration, whereas the Arbitration Provision in the instant case provides that it applies to any “claim, dispute or controversy between you and us . . . that arises from or relates in any way to . . . our collection of any amounts you owe . . .” and is to be “given the broadest possible meaning and includes claims of every kind and nature, including, but not limited to . . . claims based on any constitution, statute, regulation, ordinance, common law rule (including rules relating to contracts, negligence, *fraud or other intentional wrongs*) and equity.” Arbitration Provision ¶ 2 (emphasis added). Here, unlike in Aiken, the Arbitration Provision clearly contemplates that it would apply to claims

1 brought between the parties for alleged fraudulent conduct and other intentional wrongs. It is
2 hard to imagine a broader scope that the parties could have agreed to when they entered into the
3 Arbitration Provision, and the language clearly envisions that every dispute between the parties
4 related in any way to the loans provided by the Rapid City Defendants would be within the scope
5 of the Arbitration Provision.

6
7 (e) **Enforcement of the Arbitration Provision is Not Against Public Policy or the
Public Interest**

8 Plaintiffs contend that public policy mandates that the Court invalidate the parties'
9 Arbitration Provision because this matter would otherwise be "swept under the rug." This
10 argument fails for several reasons.

11
12 First, there is nothing preventing these Plaintiffs or any other members of the putative
13 class from moving to open their defaults in court. The Rapid Cash Defendants are merely
14 seeking to have the Plaintiffs' affirmative suit heard in arbitration as the parties have agreed.

15 Second, the courts have repeatedly rejected this precise argument. The Supreme Court in
16 Gilmer rejected arguments in that case that the non-public nature of arbitration and the lack of a
17 written decision would result in decreased public awareness of discriminatory employment
18 policies and ineffective appellate review. Gilmer, 500 U.S. at 30-33. In Parilla v. IAP
19 Worldwide Serv., 368 F.3d 269 (3d Cir. 2004), the District Court concluded that AAA Rules
20 governing arbitration of employment disputes improperly required the confidentiality of
21 arbitration and arbitration awards. The Third Circuit reversed holding that the AAA rules
22 requiring confidentiality were not unreasonable: "Each side has the same rights and restraints
23 under those provisions and there is nothing inherent in confidentiality itself that favors or
24 burdens one party vis-à-vis the other in the dispute resolution process. Importantly, the
25 confidentiality of the proceedings will not impede or burden in any way [the plaintiff's] ability to
26 obtain any relief to which she may be entitled." Id. at 280. Significantly, the Third Circuit
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1 rejected the precise argument raised by Plaintiffs herein that the non-public nature of arbitration
2 would make it more difficult for future claimants. Id. Noting that the Supreme Court upheld
3 arbitration in Gilmer, the Third Circuit concluded that the arbitration agreement in that case was
4 not unconscionable. Id. at 281. Accord Iberia Credit Bureau, Inc., 379 F.3d at 175-76 (argument
5 consists of nothing more than outdated and generalized attacks on arbitration).
6

7 Finally, state public policies may not trump the FAA and the enforcement of the
8 Arbitration Provision. The United States Supreme Court has demonstrated the primacy of
9 federal law by repeatedly invalidating state laws that attempt to limit the enforceability of
10 arbitration agreements. In invalidating these laws, the Supreme Court has explained that the
11 FAA "is a congressional declaration of a liberal federal policy favoring arbitration agreements,
12 notwithstanding any state substantive or procedural policies to the contrary." Perry, 482 U.S. at
13 489 (emphasis added) (California statute that required litigants to be provided a judicial forum
14 for resolving wage disputes "must give way" to Congress' intent to provide for enforcement of
15 arbitration agreements). More recently, in Circuit City Stores, Inc. v. Adams, 532 U.S. 105, 121,
16 121 S.Ct. 1302, 149 L.Ed.2d 234 (2001), the Supreme Court specifically rejected arguments that
17 broadly applying the FAA to employment contracts would "intrude[] upon the policies of the
18 separate states." The Court found the policies of state laws irrelevant because "Congress
19 intended the FAA . . . to preempt state anti-arbitration laws." Id. at 122. Accord Southland
20 Corp. v. Keating, 465 U.S. 1, 104 S.Ct. 852, 79 L.Ed.2d 1 (1984) (FAA "withdrew the power of
21 the states to require a judicial forum for the resolution of claims which the contracting parties
22 agreed to resolve by arbitration."").
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III. CONCLUSION

For the foregoing reasons as well as those set forth in their Initial Memorandum, the Rapid Cash Defendants' Motion to Compel Arbitration and Stay All Proceedings should be granted, and the claims asserted against them should be stayed pending the completion of arbitration. Further, Plaintiffs should be ordered to proceed with arbitration of their claims on an individual basis.

DATED this 8th day of October, 2010.

GORDON SILVER



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EXHIBIT J

Deferred Deposit Agreement & Disclosure Statement

Customer: CONCEPCION QUINTINO
2410 OLD GORGE LANE APT 101
LAS VEGAS, NV 89119

Lender: Advance Group Inc. dba Rapid Cash
2710A S. Maryland Pkwy
Las Vegas, NV 89109
7028662648

Check Number: 535 Check Amount: \$600.00 Agreement Date 05/19/06 Due Date (Date of Check): 06/03/06

ITEMIZATION OF AMOUNT FINANCED OF \$510.00
New Applicant Fee..... \$0.00
Amount Paid Directly To You \$0.00
Amount Paid On Your Account..... \$510.00

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. <u>429.41%</u>	FINANCE CHARGE The dollar amount the credit will cost you. <u>\$90.00</u>	Amount Financed The amount of credit provided to you or on your behalf. <u>\$510.00</u>	Total of Payments The amount you will have paid after you have made all payments as scheduled. <u>\$600.00</u>
--	--	--	---

Payment Schedule: One payment in the amount of \$600.00, due on 06/03/06
(Month) (Day) (Year)

Prepayment: If you pay off early, you will not be entitled to a refund of any part of the finance charge. See the information below about nonpayment and default.

No Security Interest. No security interest is given or taken in connection with this transaction except other than any security in your Check that may arise by operation of law.

AGREEMENT

This Agreement contains important terms and conditions affecting your loan. Read it carefully before you sign it.

Definitions. Certain words used in this Agreement have special meanings. The word "Agreement" means this Deferred Deposit Agreement & Disclosure Statement. The words "you" and "your" means the person signing this Agreement. The words "we," "us" and "our" mean Advance Group, Inc. or Principal Investments, Inc, each doing business as Rapid Cash. The word "loan" means the deferred deposit transaction governed by this Agreement. The words "due date" mean the due date shown above and in the Payment Schedule shown in the box above. The boxed-in disclosures above are part of the terms and conditions of your Agreement with us.

Promise to Pay. You promise to pay us the "Total of Payments" in the box above, which includes a Finance Charge, on the due date.

Deferred Deposit. You are giving us your personal check, identified above by check number. We will not deposit your check until the due date. You promise that on the due date, you will have enough money available in your account to repay your loan. You promise that you will not close your account or place a stop payment on the check.

Our Fee. Our single charge fee for making the loan appears in the box above and is expressed as a dollar amount (Finance Charge) and an Annual Percentage Rate. The Annual Percentage Rate above is based upon that fee being an add-on finance charge, which is fully earned by us as of the date of this Agreement.

No Collateral. We are not allowed to accept any collateral except other than any security interest in your Check that may arise by operation of law.

Extensions. At any time prior to the due date, you may request an extension of this loan. We may grant or deny your request in our sole discretion. If we grant your request, you will be required to pay the Finance Charge shown above and sign a new Deferred Deposit Agreement. You will be required to pay your loan in full, including an additional Finance Charge, on the new due date. The terms of the extension, including the additional finance charge, will be described in the new Deferred Deposit Agreement. You agree to provide us a new check for the balance due on the new due date. The due date for any extension cannot be later than 60 days from the date the original loan was due.

Option to Rescind. You may cancel this loan without paying the Finance Charge. To do so, you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash. If we receive your payment on time, we will return your check and cancel your loan.

Prepayment. You may prepay your Loan in full or in part with no additional charge. If you pay off early, you will not be entitled to a refund of any part of the finance charge. The finance charge constitutes a single charge for making the loan. Any partial payments you make will be applied first to fees and costs, then to finance charges, then to principal.

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Electronic Check Deposit. The check that you have given to us for payment of your obligation under this Agreement may be presented to your bank as an Electronic Funds Transfers ("EFT") through the Automated Clearing House (ACH) network. We may initiate a debit entry to your checking account in order to receive payment. We may do so where the check is lost, misplaced or destroyed or it is more practical to conduct an EFT rather than deposit your check. In other circumstances, we may process your payment and deposit your check. In cases where we utilize an EFT for payment, funds may be withdrawn from your account quickly sometimes the same date as your loan is due and you will not receive your check back from your financial institution. By signing this Agreement, you authorize us to electronically deposit and collect on your check in the amount of the Total of Payments shown in this Agreement. Your authorization to EFT your account will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice.

Nonpayment and Default. You will be in default if the Total of Payments is not paid in full by the due date. If you default on your obligations, in addition to the amounts you owe us, we may charge you interest for 90 days from the date of your default at the rate equal to the prime rate of the largest bank in the State of Nevada (as ascertained by the Nevada Commissioner of Financial Institutions), plus ten percent. If your payment either by check or EFT is not paid upon presentment because of NSF or Account Closed you will be charged a return check charge of \$25.00. If you default on this loan you have the opportunity within 30 days of the default to enter into a repayment plan with a term of at least 90 days. We will offer the repayment plan to you before we commence any civil action or process of alternative dispute resolution.

Authorizations to Collect Debt Upon Default. You authorize us to withdraw from your bank account the amount you owe us according to this or any former Agreement. We may make this withdrawal by re-presenting your check electronically, and/or by using one or more, in varied amounts paper or EFT debits not to exceed the amount owed to us. Your EFT debit authorization extends to the bank account listed on your original check or any other bank account maintained by you wherever located. If you provide us with a Visa or MasterCard check, debit or credit card (collectively the "Card") you also authorized us, denoted by your signature on this Agreement to charge, submit and collect all amounts due to us. We may submit these charges to your Card one or more times until the total amount owed to us is paid in full. Your authorization to ACH and to charge your Card will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice. We may not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize the above collection of the Total of Payments by electronic means from your bank account and Card. You may withdraw such voluntary consent by writing to us at our business address set forth above.

Offset. You agree that by law and this Agreement we or our agents may offset (deduct) any sums owed to us from any checks presented to us now or in the future for cashing. The amount owed to us includes any legitimate reason including, but not limited to, returned checks, return check charges, defaulted loans or additional collection costs that you have incurred with us or one of our affiliates.

Credit Reporting. You agree that we may make inquiries concerning your credit history and standing, and we may report information concerning your performance under this Agreement to credit reporting agencies.

Telephone Calls - Monitoring: You agree that if you are past due or in default, you will accept calls from us regarding the collection of your Account. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for purposes of state and federal law. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer service.

Agreements for Resolving Disputes: You agree to the Agreements for Resolving Disputes in this Agreement. Except as otherwise provided in the Agreements for Resolving Disputes, this Agreement will be governed by the laws of the State of Nevada. If any part of this Agreement is found to be unenforceable, that part will be deemed severed from the Agreement, and the remaining provisions will be enforced to the fullest extent allowed by law.

Agreements for Resolving Disputes

Mediation Agreement

You and We Agree to Mediate Claims. You and we agree that before either of us starts a lawsuit, arbitration proceeding or any other legal proceeding, we will submit any and all "Claims" that we have against you, and you will submit any and all Claims that you have against us, to neutral, individual (and not class) mediation.

What is Mediation? Mediation is an informal procedure used to resolve disputes. In a mediation, a professionally trained, impartial mediator meets with the parties to a dispute. A mediator does not decide who is right or wrong. Instead, a mediator assists the parties in finding a solution that works best for them. If the parties agree, they may settle their differences and avoid further proceedings.

Meaning of "Claims." "Claims" means any and all claims, disputes or controversies that arise under common law, federal or state statute or regulation, or otherwise, and that we or our servicers or agents have against you or that you have against us, our servicers, agents, directors, officers and employees. "Claims" also includes any and all claims that arise out of (i) the validity, scope and/or applicability of this Mediation Agreement or the Arbitration Agreement appearing below, (ii) your application for a Loan, (iii) the Agreement, (iv) any prior agreement between you and us, including any prior loans we have made to you or (v) our collection of any Loan. "Claims" also includes all claims asserted as a representative, private attorney general, member of a class or in any other representative capacity, and all counterclaims, cross-claims and third party claims.

Rules of Mediation. You and we agree to mediate in good faith to resolve any Claims on an individual (and not class) basis. The mediation will be governed by the Better Business Bureau Rules of Mediation in effect at the time the Claim is filed. You can obtain a copy of the Rules of Mediation and forms at any Better Business Bureau Office or online at www.bbb.org. The mediation will take place at a location near your residence. The mediator will not conduct class mediation, and will not allow you to act as a representative, private attorney general or in any other representative capacity.

Costs of Mediation. We will pay all mediation fees, including filing fees and the mediator's fees.

Other Mediation Terms. This Mediation Agreement is an independent agreement, will survive the closing and repayment of the Loan for which you are applying, and will be binding upon you and your heirs and assigns. If a court of competent jurisdiction finds that one or more provisions of this Mediation Agreement is unenforceable, such provision or provisions will be deemed to be severed, and the remaining provisions of this Mediation Agreement will be enforced to the fullest extent allowed by law.

Arbitration Agreement

You and We Agree to Arbitrate. If you and we are not able to resolve a Claim in mediation, then you and we agree that such Claim will be resolved by neutral, binding individual (and not class) arbitration. You and we may not initiate arbitration proceedings without first complying with the Mediation Agreement.

What is Arbitration? Arbitration is a procedure used to resolve disputes. It is different than mediation. In arbitration, a professionally trained, neutral, third party arbitrator holds a hearing. The hearing is less formal than a trial in court. Each party has the opportunity to tell his or her side of the dispute. The arbitrator will review each party's case and make a decision. The decision is binding on the parties. By agreeing to arbitration, **YOU GIVE UP YOUR RIGHT TO GO TO COURT.**

Meaning of "Claims." The word "Claims" has the same meaning as in the Mediation Agreement.

Rules of Arbitration. Except as provided in this Arbitration Agreement, the arbitration will be governed by the Code of Procedure of the National Arbitration Forum ("NAF") in effect at the time the claim is filed. Rules and forms of the NAF may be obtained and all claims must be filed at any NAF office, on the World Wide Web at www.naf-forum.com, or at National Arbitration Forum, P.O. Box 50191, Minneapolis, Minnesota 55405-0191. You may also elect to have the arbitration heard by and under the consumer rules of the American Arbitration Association or the Better Business Bureau. Any arbitration hearing, if one is held, will take place at a location near your residence. The arbitration will be conducted by a single arbitrator. The arbitrator will not conduct class arbitration, and will not allow you to act as a representative, private attorney general or in any other representative capacity. The arbitration award will be in writing. The arbitrator may award the prevailing party its attorneys' fees and arbitration expenses. Judgment upon the award may be entered by any party in any court having jurisdiction. All statutes of limitations that are applicable to a Claim will apply to any arbitration between you and us.

Costs of Arbitration. We will pay our share of any arbitration fees. *If you are unable to pay your share of the costs of arbitration, your arbitration fees may be waived by the NAF or other arbitration service provider you have selected.* If your properly submitted request to waive the arbitration fees is denied, or if the arbitration service you have selected does not have a waiver procedure, then we will, at your request, advance your share of the arbitration fees. If the arbitrator renders a decision in your favor, then you will not have to reimburse us for your share of the arbitration fees. If the arbitrator renders a decision in our favor, then you agree to reimburse us for the arbitration fees we have advanced on your behalf. However, you will not have to reimburse us for any more than the amount that could have been assessed as court costs if the Claim had been resolved by a state court with proper jurisdiction.

Governing Law. This Arbitration Agreement is made pursuant to a transaction involving interstate commerce. It will be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, as amended ("FAA"). If for any reason a court of competent jurisdiction finds that the FAA does not apply, then this Arbitration Agreement will be governed by the Nevada Uniform Arbitration Act, as amended.

Other Arbitration Terms. This Arbitration Agreement is an independent agreement, will survive the closing and repayment of the Loan for which you are applying, and will be binding upon you and your heirs and assigns. If a court of competent jurisdiction finds that one or more provisions of this Arbitration Agreement is unenforceable, such provision or provisions will be deemed to be severed, and the remaining provisions of the Arbitration Agreement will be enforced to the fullest extent allowed by law.

Exceptions to Mediation and Arbitration

In the following situations, neither you nor we will need to submit Claims to mediation or arbitration before taking other actions.

Limited and Small Claims. You and we each have the right to bring a Claim in a small claims or the proper Las Vegas Justice Court, as long as the Claim is within the jurisdictional limits of that court. Neither you nor we will need to submit Claims to mediation or arbitration before doing so. However, neither you nor we may bring any Claims as a representative, private attorney general, member of a class or in any other representative capacity. All Claims that cannot be brought in small claims court or Las Vegas Justice Court (and all appeals from a judgment by a small claims court or limited actions / jurisdiction court) must be resolved consistent with the Mediation Agreement and the Arbitration Agreement appearing above.

Important Notices

BY SIGNING THIS AGREEMENT OR APPLYING FOR A LOAN:

- **YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM AGAINST US.**
- **YOU WILL NOT BE ENTITLED TO HAVE A COURT, OTHER THAN A SMALL CLAIMS COURT OR JUSTICE COURT, RESOLVE ANY CLAIM AGAINST US.**

• **YOU WILL NOT BE ABLE TO BRING, JOIN OR PARTICIPATE IN ANY CLASS ACTION LAWSUIT AGAINST US.**

By signing below, you acknowledge and affirm that: (1) you have received and read a copy of this Agreement, (2) you agree to the above terms and to the Agreements for Resolving Disputes, (3) there are no blanks spaces appearing on this Agreement and (4) you represent that the "Amount Financed" as shown above, together with any other outstanding loans you have with us, does not exceed twenty-five percent of your expected monthly gross income.

Customer Signature(s) [Signature] Date 5-9-06 By [Signature] Date 5-19-06
Rapid Cash Representative

Notice of Your Financial Privacy Rights

We respect the privacy of our customers and are committed to treating customer information responsibly. This Privacy Notice is for Speedy Cash®, Galt Ventures, Inc., and all their parent and affiliate companies doing business as Speedy Cash®, Rapid Cash and AAA Title Loans. This Notice describes the type of information we collect, how we might disclose that information and the steps we take to protect your information.

A. NON-DISCLOSURE POLICY AND SECURITY.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

B. CATEGORIES OF INFORMATION WE COLLECT.

We collect nonpublic personal information from the following sources:

Information we receive from you on applications or other forms, such as social security number, banking and credit history and income;

Information about your transactions within the Speedy /Rapid Cash /AAA Title Loan group of companies, or others;

Information we receive from consumer credit reporting agency; and

Information we receive from other nonaffiliated third parties, such as your bank.

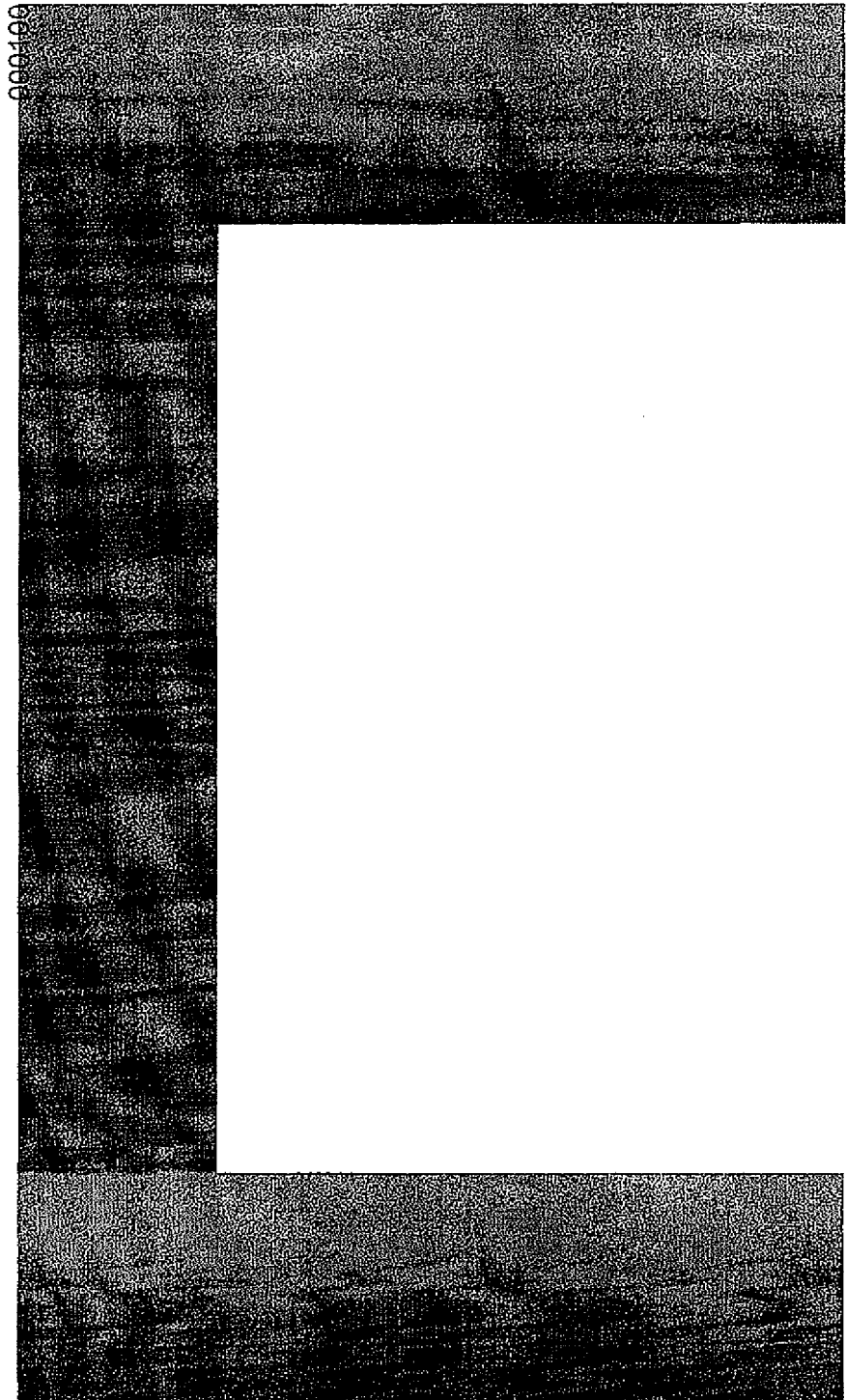
C. CATEGORIES OF INFORMATION WE DISCLOSE.

We may disclose all the information we collect, as described above, to our companies and to nonaffiliated third parties in accordance within applicable law.

D. CATEGORIES OF AFFILIATES and THIRD PARTIES TO WHOM WE DISCLOSE.

Affiliates: The Speedy /Rapid Cash /AAA group of companies;

Third Parties: Entities who process or administer a financial transaction requested or authorized by you; Consumer Credit Reporting Agencies to which we permitted under law and banks, credit card companies and other financial service providers with whom you have a contractual relationship and federal, state and local governmental departments that require us to disclose the information or where disclosure concerns fraud, theft or criminal activity; other third parties that are permitted, under 16 CFR 313.15.



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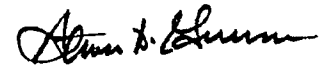


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CLERK OF THE COURT

MOT
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Cash, Granite Financial Services, Inc., d/b/a
Rapid Cash, FMMR Investments, Inc., d/b/a
Rapid Cash, Prime Group, Inc., d/b/a Rapid
Cash and Advance Group, Inc., d/b/a Rapid
Cash

DISTRICT COURT

CLARK COUNTY, NEVADA

CASANDRA HARRISON; EUGENE
VARCADOS; CONCEPCION QUINTINO; and
MARY DUNGAN, individually and on behalf of
all persons similarly situated,

Plaintiffs,

vs.

PRINCIPAL INVESTMENTS, INC. d/b/a
RAPID CASH; GRANITE FINANCIAL
SERVICES, INC. d/b/a RAPID CASH; FMMR
INVESTMENTS, INC. d/b/a RAPID CASH;
PRIME GROUP, INC. d/b/a RAPID CASH;
ADVANCE GROUP, INC. d/b/a RAPID CASH;
MAURICE CARROLL, individually and d/b/a
ON SCENE MEDIATIONS; VILISIA
COLEMAN, and DOES I through X, inclusive,

Defendants.

CASE NO. A-10-624982-B
DEPT. NO. XI

**MOTION TO COMPEL ARBITRATION
AND STAY ALL PROCEEDINGS;**

**APPLICATION FOR ORDER
SHORTENING TIME**

Date of Hearing: OCTOBER 12, 2010
Time of Hearing: 9:00 a.m.

**FILE WITH
MASTER CALENDAR**

Defendants Principal Investments, Inc., d/b/a Rapid Cash, Granite Financial Services,
Inc., d/b/a Rapid Cash, FMMR Investments, Inc., d/b/a Rapid Cash, Prime Group, Inc., d/b/a
Rapid Cash and Advance Group, Inc., d/b/a Rapid Cash (the "Rapid Cash Defendants") hereby
move this Court for an Order compelling arbitration of the matters set forth in Plaintiffs'

Gordon Silver
Attorneys At Law
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3960 Howard Hughes Pkwy
Las Vegas, Nevada 89169
(702) 796-5555

102593-001/1033657

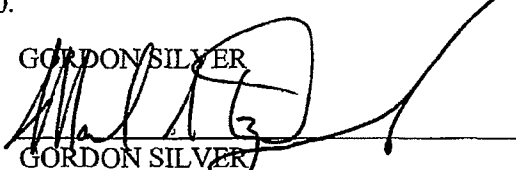
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09-24-10P04:10 RCVD

1 Complaint on file herein and an Order Shortening Time to consider the Motion. These Motions
 2 are made and based upon the following Memorandum of Points and authorities, the Affidavit of
 3 Mark S. Dzarnoski, the Declaration of Richard Duke Gee attached hereto as **Exhibit 1** and any
 4 exhibits thereto, and any oral argument the Court may permit at the hearing of this matter.

5 DATED this 24 day of September, 2010.

6 ~~GORDON SILVER~~

7 
 8 GORDON SILVER

9 WILLIAM M. NOALL

10 Nevada Bar No. 3549

11 MARK S. DZARNOSKI

12 Nevada Bar No. 3398

13 3960 Howard Hughes Pkwy., 9th Floor

14 Las Vegas, Nevada 89169

15 Tel: (702) 796-5555

16 Attorneys for Defendants

17 Principal Investments, Inc., d/b/a Rapid

18 Cash, Granite Financial Services, Inc., d/b/a

19 Rapid Cash, FMMR Investments, Inc., d/b/a

20 Rapid Cash, Prime Group, Inc., d/b/a Rapid

21 Cash and Advance Group, Inc., d/b/a Rapid

22 Cash

23 ORDER SHORTENING TIME

24 Good Cause Appearing Therefore,

25 IT IS HEREBY ORDERED that the time for hearing of the foregoing Motion be and the
 26 same is hereby shortened to be heard on the 12 day of OCT., 2010, at the hour of
 27 9:00 o'clock a.m., or as soon thereafter as counsel may be heard in Department XI.

28 IT IS FURTHER ORDERED that Plaintiffs shall file an Opposition to the Motion to
 Compel Arbitration, if any, on or before the ___ day of ___, 2010.

IT IS FURTHER ORDERED that Defendants shall file a Reply to Plaintiffs' Opposition
 to the Motion to Compel Arbitration, if any, on or before the ___ day of ___, 2010.

IT IS HEREBY ORDERED this 27 day of September, 2010.


 DISTRICT COURT JUDGE

2 of 19

STATE OF NEVADA)
COUNTY OF CLARK) ss.

1. I am an attorney licensed to practice law in the State of Nevada and am a shareholder of the law firm of Gordon Silver, attorneys for Defendants.

2. I am competent to testify to the matters asserted herein, of which I have personal knowledge, except as to those matters stated upon information and belief. As to those matters stated upon information and belief, I believe them to be true.

3. I make this Affidavit in support of the Application for Order Shortening Time in the matter styled Harrison, et al. v. Principal Investments, Inc. d/b/a Rapid Cash, et al., Case No. A-10-624982-B, filed in the Eighth Judicial District Court in and for Clark County, Nevada.

4. Plaintiffs commenced this action by filing a Complaint on or about September 9, 2010. On information and belief, the class action summons and complaint were received by the Defendants' Las Vegas registered agent on or about September 21, 2010. Gordon Silver has been retained to represent Defendants in this matter.

5. In addition to the Complaint, Plaintiffs filed, on September 9, 2010, a Motion to Certify Class which is currently set for in chambers disposition on October 15, 2010 and a Motion for Rule 23 No Contact Order or Preliminary Injunction currently scheduled for hearing on October 12, 2010 (collectively "Pending Motions"). The undersigned first obtained a copy of the Pending Motions on Friday afternoon September 17, 2010.

6. On information and belief, the named Plaintiffs in the underlying action all entered into loan agreements with Defendants which included an arbitration provision. The agreements entered into by the Rapid Cash Defendants with Plaintiffs are attached as Exhibits to the Declaration of Richard Duke Gee attached hereto as Exhibit 1. Defendants are exercising their rights to demand arbitration and are herewith filing a Motion to Compel Arbitration.

7. If set in the ordinary course, Defendants' Motion to Compel Arbitration will not

1 be heard until after the dates set for disposition of the Pending Motions. The Pending Motions
2 should not be considered until this Court determines whether the Plaintiffs' claims are subject to
3 arbitration.

4 8. On Monday, September 20, 2010, the undersigned spoke with Plaintiffs' counsel,
5 Dan Wulz, to discuss the possibility of entering into some kind of agreement to postpone the
6 Court's consideration of the Pending Motions until after deciding Defendants' anticipated Motion
7 to Compel Arbitration. On Thursday, September 23, 2010, the undersigned received an email
8 from Mr. Wulz proposing terms for a possible agreement to delay the Court's consideration of
9 the Pending Motions. However, no agreement has been reached between the parties as of the
10 date of filing this Motion.

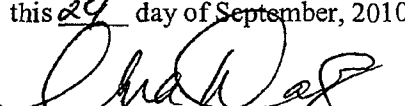
11 9. The above and foregoing establishes good cause for this Court to grant
12 Defendants' Motion for Order Shortening Time and set a hearing date on Defendants' Motion to
13 Compel Arbitration for a date and time prior to October 12, 2010.

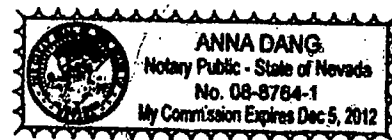
14 FURTHER AFFIANT SAYETH NAUGHT.

15 Executed this 27 day of September, 2010.

16
17 
MARK S. DZARNOSKI

18 SUBSCRIBED AND SWORN to before me
19 this 29 day of September, 2010.

20 
21 NOTARY PUBLIC in and for said
22 County and State



24 MEMORANDUM OF POINTS AND AUTHORITIES

25 I. INTRODUCTION

26 Plaintiffs applied for and obtained loans from the Rapid Cash Defendants on which they
27 defaulted. Each loan agreement they executed -- and some of the Plaintiffs executed multiple
28 loan agreements as they sought and obtained multiple loans -- contained agreements requiring
Plaintiffs to individually arbitrate any and all claims against any of the Rapid Cash Defendants.

1 Each of the Plaintiffs could have opted-out of their arbitration agreements or rescinded their loan
2 transactions at no charge. They did not.

3 Notwithstanding the parties' arbitration agreements, Plaintiffs have commenced the
4 instant class action. The Class Action Complaint contends that Plaintiffs' rights were violated by
5 the Rapid Cash Defendants' collection efforts, and seeks a variety of forms of relief on behalf of
6 Plaintiffs and the putative class, including compensatory damages, punitive damages, injunctive
7 relief and the award of attorneys' fees. The Complaint purports to state claims for "Equity for
8 Fraud upon the Court," abuse of process, negligent hiring/supervision/retention, negligence, civil
9 conspiracy, violation of NRS Chapter 604A and violation of NRS Chapter 598.

10 Even if Plaintiffs' allegations were true and stated claims against the Rapid Cash
11 Defendants, which they do not, they have been brought in the wrong forum. Rather, all of their
12 individual claims are subject to individual (non-class) arbitration pursuant to the parties'
13 Arbitration Agreements and the Federal Arbitration Act ("FAA"), 9 U.S.C. §§ 1, *et seq.*

14 For the following reasons, the Rapid Cash Defendants respectfully request that this Court
15 grant their Motion to Compel Arbitration and stay this action pursuant to the FAA.

16 II. FACTS

17 (a) Plaintiffs' Loan Transactions And Arbitration Agreements.

18 Mary Dungan ("Dungan") sought a \$600.00 loan in February 2009. Richard Duke Gee
19 Affidavit ("Gee Affidavit") at ¶ 4; Complaint at ¶ 34. On February 25, 2009, she entered into the
20 "Deferred Deposit Agreement & Disclosure Statement" ("Agreement"). Gee Affidavit at ¶ 4. A
21 true and correct copy of the Agreement is attached to the Gee Affidavit as Exhibit A.

22 The third page of the Agreement contains the following heading in bold face and
23 capitalization: "**ARBITRATION PROVISION.**" Immediately thereafter, the Arbitration
24 Provision provides in capitalized letters:

25 VERY IMPORTANT. READ THIS ARBITRATION PROVISION
26 CAREFULLY. IT SETS FORTH WHEN AND HOW CLAIMS
27 (AS DEFINED IN SECTION 2 BELOW) WHICH YOU OR WE
28 HAVE AGAINST ONE ANOTHER WILL BE ARBITRATED
INSTEAD OF LITIGATED IN COURT. IF YOU DON'T REJECT
THIS ARBITRATION PROVISION IN ACCORDANCE WITH

SECTION 1 BELOW, UNLESS PROHIBITED BY APPLICABLE LAW. IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY IN WHICH YOU OR WE RESOLVE ANY CLAIM WHICH YOU OR WE HAVE AGAINST EACH OTHER NOW OR IN THE FUTURE.

The Arbitration Provision provides "that either party may elect to require arbitration of any Claim...."

The Arbitration Provision allowed Dungan the ability to opt-out of arbitration within 30 days by providing a written notice:

1. **RIGHT TO REJECT ARBITRATION.** If you do not want this Arbitration Provision to apply, you may reject it within 30 days after the date of your application ("Application") for check cashing, credit, loan or other services from us ("Services") [by delivering to us at any of our offices or] by mailing to us in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205, a written rejection notice which provides your name, address, the date of the Application, the address of the store where you submitted the Application and states that you are rejecting the related Arbitration Provision. If you want proof of the date of such a notice, you should send the notice by "certified mail, return receipt requested." If you use such a method, we will reimburse you for the postage upon your request. Nobody else can reject arbitration for you; this is the only way you can reject arbitration. Your rejection of arbitration will not affect your right to Services or the terms of Services. If you reject this Arbitration Provision, it shall have the effect of rejecting any prior arbitration provision or agreement between you and us that you did not have the right to reject; it will not affect any prior arbitration provision or agreement which you had a right to reject that you did not exercise.

Arbitration Provision at ¶ 1 (boldface in original). As stated above, Dugan's exercise of the opt-out right would have had no affect on her ability to obtain a loan or the terms of her loan.

Duggan did not exercise her right to opt-out of the Arbitration Provision. Gee Affidavit at ¶ 8.

The Arbitration Provision broadly defines "Claim" to cover every conceivable dispute: "The term 'Claim' means any claim, dispute or controversy between you and us (including 'related parties' identified below) that arises from or relates in any way to Services you request or we provide, now, in the past or in the future; the Application (or any prior or future

1 application); any agreement relating to Services ('Services Agreement'); any of our marketing,
 2 advertising, solicitations and conduct relating to your request for Services; our collection of any
 3 amounts you owe; our disclosure of or failure to protect any information about you; or the
 4 validity, enforceability or scope of this Arbitration Provision." Arbitration Provision at ¶ 2. The
 5 Arbitration Provision defines "Services" as including a loan. *Id.* at ¶ 1.

6 The Arbitration Provision requires the individual arbitration of all Claims:

7 **5. NO CLASS ACTIONS OR SIMILAR PROCEEDINGS;**
 8 **SPECIAL FEATURES OF ARBITRATION.** IF YOU OR WE
 9 ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR WE
 10 WILL HAVE THE RIGHT TO: (A) HAVE A COURT OR A
 11 JURY DECIDE THE CLAIM; (B) OBTAIN INFORMATION
 12 PRIOR TO THE HEARING TO THE SAME EXTENT THAT
 13 YOU OR WE COULD IN COURT; (C) PARTICIPATE IN A
 14 CLASS ACTION IN COURT OR IN ARBITRATION, EITHER
 15 AS A CLASS REPRESENTATIVE, CLASS MEMBER OR
 16 CLASS OPPONENT; (D) ACT AS A PRIVATE ATTORNEY
 17 GENERAL IN COURT OR IN ARBITRATION; OR (E) JOIN
 18 OR CONSOLIDATE CLAIM(S) INVOLVING YOU WITH
 19 CLAIMS INVOLVING ANY OTHER PERSON. THE RIGHT
 20 TO APPEAL IS MORE LIMITED IN ARBITRATION THAN IN
 21 COURT. OTHER RIGHTS THAT YOU WOULD HAVE IF
 22 YOU WENT TO COURT MAY ALSO NOT BE AVAILABLE
 23 IN ARBITRATION.

24 Arbitration Provision at ¶ 5 (boldface in original).

25 In the event of a successful individual arbitration, the Arbitration Provision provides that
 26 the award to Dungan would be increased to the jurisdictional limit of the small claims court with
 27 jurisdiction plus \$100.00:

28 In addition, if you prevail in an individual (non-class) arbitration
 against us in which you are seeking monetary relief from us, we
 agree that the arbitrator shall award as the minimum amount of
 your damages (excluding arbitration fees and attorneys' fees and
 costs, if any) an amount that is \$100 greater than the jurisdictional
 limit of the small claims court (or your state's equivalent court) in
 the county in which you reside. For example, if such a court can
 decide claims up to \$5,000, then if you prevail in an individual
 arbitration, you will receive a minimum of \$5,100 even if the
 amount you would otherwise be entitled to receive is less than that
 amount.

29 Arbitration Provision at ¶ 8.

1 The Arbitration Provision provides that it is governed by the Federal Arbitration Act:
2 "This Arbitration Provision is made pursuant to a transaction involving interstate commerce and
3 shall be governed by the FAA, and not Federal or state rules of civil procedure or evidence or
4 any state laws that pertain specifically to arbitration, provided that the law of Kansas, where we
5 are headquartered, shall be applicable to the extent that any state law is relevant in determining
6 the enforceability of this Arbitration Provision under Section 2 of the FAA." Id.

7 The Arbitration Provision provides that Rapid Cash will consider paying all of the costs
8 of arbitration and the arbitrator may award the successful borrower his attorneys' fees:

9 We will consider any good faith request you make for us to pay the
10 administrator's or arbitrator's filing, administrative, hearing and/or
11 other fees if you cannot obtain a waiver of such fees from the
12 administrator and we will not seek or accept reimbursement of any
13 such fees. We will also pay any fees or expenses we are required
14 by law to pay or that we must pay in order for this Arbitration
15 Provision to be enforced. Each party must normally pay for its
16 own attorneys, experts and witnesses. However, we will pay all
17 such reasonable fees and costs you incur if you are the prevailing
18 party and/or where required by applicable law and/or the
19 administrator's rules. The arbitrator shall not limit the attorneys'
20 fees and costs to which you are entitled because your Claim is for a
21 small amount. Also, to the extent permitted by applicable law and
22 provided in any Services Agreement, you will pay any reasonable
23 attorneys' fees, collection costs and arbitration fees and costs we
24 incur if we prevail in an arbitration in which we seek to recover
25 any amount owed by you to us under the Services Agreement.

26 Arbitration Provision at ¶ 4.

27 **CASANDRA HARRISON**

28 Casandra Harrison ("Harrison") sought a \$582.00 loan in March 2009. Complaint at
¶ 16; Gee Affidavit at ¶ 15. On March 5, 2009, she entered into the "Deferred Deposit
Agreement & Disclosure Statement" ("March 5 Agreement"). Gee Affidavit at ¶ 15. A true and
correct copy of the March 5 Agreement is attached to the Gee Affidavit as Exhibit B.

Harrison sought a second loan in late March 2009 in the amount of \$400.00. Gee
Affidavit at ¶ 16. On March 19, 2009, she entered into the "Deferred Deposit Agreement &

1 Disclosure Statement" ("March 19 Agreement"). Id. A true and correct copy of the March 19
2 Agreement is attached to the Gee Affidavit as Exhibit C.

3 Both the March 5, 2009 Agreement and the March 19, 2009 Agreement contained the
4 same Arbitration Provision as contained in Dungan's Agreement. Gee Affidavit at ¶ 17.

5 Harrison did not exercise her right to opt-out of the Arbitration Provision. Gee Affidavit
6 at ¶ 18.

7 **EUGENE VARCADOS**

8 Eugene Varcados ("Varcados") sought a \$500.00 loan in April 2008. Complaint at ¶ 22;
9 Gee Affidavit at ¶ 20. On April 30, 2008, he entered into the "Deferred Deposit Agreement &
10 Disclosure Statement" ("April Agreement"). Gee Affidavit at ¶ 20. A true and correct copy of
11 the April Agreement is attached to the Gee Affidavit as Exhibit D.

12 Varcados sought a second loan in May 2008 in the amount of \$500.00. Complaint at
13 ¶ 22; Gee Affidavit at ¶ 21. On May 24, 2008, he entered into the "Deferred Deposit Agreement
14 & Disclosure Statement" ("May Agreement"). Gee Affidavit at ¶ 21. A true and correct copy of
15 the May Agreement is attached to the Gee Affidavit as Exhibit E.

16 Varcados sought a third loan in June 2008 in the amount of \$500.00. Gee Affidavit at
17 ¶ 22. On June 6, 2008, he entered into the "Deferred Deposit Agreement & Disclosure
18 Statement" ("June Agreement"). Id. A true and correct copy of the June Agreement is attached
19 to the Gee Affidavit as Exhibit F.

20 Varcados sought a fourth loan in late June 2008 in the amount of \$500.00. Gee Affidavit
21 at ¶ 23. On June 21, 2008, he entered into the "Deferred Deposit Agreement & Disclosure
22 Statement" ("June 21 Agreement"). Id. A true and correct copy of the June 21 Agreement is
23 attached to the Gee Affidavit as Exhibit F.

24 All four Agreements contained the same Arbitration Provision as contained in Dungan's
25 Agreement. Gee Affidavit at ¶ 24.

26 Varcados did not exercise his right to opt-out of the Arbitration Provision. Gee Affidavit
27 at ¶ 25.

28

CONCEPCION QUINTINO

Concepcion Quintino ("Quintino") sought a \$510.00 loan in April 2006. Complaint at ¶ 28; Gee Affidavit at ¶ 27. On April 21, 2006, he entered into the "Deferred Deposit Agreement & Disclosure Statement" ("April Agreement"). Gee Affidavit at ¶ 27. A true and correct copy of the April Agreement is attached to the Gee Affidavit as Exhibit G.

Quintino sought a second loan in late May 2006 in the amount of \$510.00. Gee Affidavit at ¶ 28. On May 5, 2006, he entered into the "Deferred Deposit Agreement & Disclosure Statement" ("May Agreement"). Id. A true and correct copy of the May Agreement is attached to the Gee Affidavit as Exhibit H.

Quintino sought a third loan in late May 2006 in the amount of \$510.00. Gee Affidavit at ¶ 29. On May 19, 2006, he entered into the "Deferred Deposit Agreement & Disclosure Statement" ("May 19 Agreement"). Id. A true and correct copy of the May 19 Agreement is attached to the Gee Affidavit as Exhibit I.

All three agreements permitted Quintino one day within which to rescind without being responsible for any finance charge. Gee Affidavit at ¶ 30. Quintino did not exercise his right to rescind. Id.

All three agreements contain an arbitration agreement where Quintino was to first seek mediation for any disputes and if mediation was unsuccessful, then submit the matter to binding arbitration. Gee Affidavit at ¶ 37. Quintino has not sought to exercise his right to mediation or presented the matter to arbitration. Id.

All three Agreements contain the identical "**Agreements for Resolving Disputes.**"

The Agreements broadly define the word Claims:

Meaning of "Claims." Claims means any and all claims, disputes or controversies that arise under common law, federal or state statute or regulation, or otherwise, and that we or our servicers or agents have against you or that you have against us, our servicers, agents, directors, officers and employees. "Claims" also includes any and all claims that arise out of (i) the validity, scope and/or applicability of this Mediation Agreement or the Arbitration Agreement appearing below, (ii) your application for a Loan, (iii) the Agreement, (iv) any prior agreement between you and us,

including any prior loans we have made to you or (v) our collection of any Loan. "Claims" also includes all claims asserted as a representative, private attorney general, member of a class or in any other representative capacity, and all counterclaims, cross-claims and third party claims.

Agreements at page 2.

The Agreements for Resolving Disputes also contain an Arbitration Agreement providing for individual arbitration in the event the parties are unable to resolve their Claims in mediation. Agreements at page 3. The Agreements allow Quintino to select the arbitration administrator. Agreements at page 3. The Agreements also provide that they are governed by the Federal Arbitration Act. Agreements at page 3. Finally, the Agreements allow Quintino the right to bring a claim in small claims court. Agreements at page 3.

(b) The Allegations Of Plaintiffs' Complaint.

Plaintiffs acknowledge that they sought and obtained loans from one or more of the Rapid Cash Defendants. Complaint at ¶¶ 16, 22, 28 & 34. They further acknowledge that they were sued after defaulting on their various loans. *Id.* at ¶¶ 17, 23, 29, & 35. Plaintiffs contend that even though Affidavits of Service were executed providing that they had been served with the various complaints brought against them, they were not in fact served. *Id.* at ¶¶ 18-19, 24-25, 30-31, 36-37. They further contend that one or more of the Rapid Cash Defendants obtained default judgments against them. *Id.* at ¶¶ 20, 26, 32, 38.

Each and every one of Plaintiffs' claims are premised upon the foregoing allegations of wrongdoing. For the following reasons, these claims are subject to individual arbitration.

III. ARGUMENT

(c) The Federal Arbitration Act Applies To The Arbitration Provisions.

The FAA "is a congressional declaration of a liberal policy favoring arbitration." *Moses H. Cone Mem. Hosp. v. Mercury Constr. Corp.*, 460 U.S. 1, 24 (1983). The FAA provides that a written arbitration provision contained in a "contract evidencing a transaction involving commerce. . . shall be valid, irrevocable and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract." 9 U.S.C. § 2. The Act defines "commerce" as

1 “commerce among the several states.” 9 U.S.C. § 1. In section 2 of the FAA, “the word
 2 ‘involving’ . . . signals an intent to exercise Congress’s commerce power to the full,” and the
 3 phrase “‘evidencing a transaction’ mean[s] only that the transaction . . . turn[s] out, in fact, to
 4 have involved interstate commerce.” Allied-Bruce Terminix Companies v. Dobson, 513 U.S.
 5 265, 273 (1995) (emphasis in original). In Citizens Bank v. Alafabco, Inc., 123 S. Ct. 2037
 6 (2003), the United States Supreme Court confirmed that Congress, in section 2 of the FAA,
 7 exercised “the broadest permissible exercise” of its Commerce Clause power, and it admonished
 8 (and reversed) the Alabama Supreme Court for applying a “cramped view” of the Commerce
 9 Clause power. Id. at 1240, 1241. See also Fluor Daniel Intercontinental, Inc. v. General Elec.
 10 Co., No. 98 Civ. 7181(WHP), 1999 WL 637236, at *3 (S.D.N.Y. Aug. 23, 1999) (“As to the
 11 ‘involving commerce’ requirement, courts have construed the phrase broadly.”).

12 The transactions at issue in this case meet the “commerce” requirement. The Rapid Cash
 13 Defendants are headquartered in Kansas. Arbitration Provision at ¶ 8. At the time that they
 14 obtained their loans, Plaintiffs each presented one of the Rapid Cash Defendants with a check
 15 which “may be presented to your bank as an Electronic Funds Transfers (‘EFT’) through the
 16 automated clearing house (ACH) network.” Agreements at page 2 (“Electronic Check Deposit”).
 17 Those transactions necessarily utilized electronic networks and computer systems located outside
 18 of Nevada, and the transactions between Plaintiffs and the Rapid Cash Defendants indisputably
 19 flowed through interstate commerce. See, e.g., United States v. Baker, 82 F.3d 273, 275-76 (8th
 20 Cir. 1996) (ATM network was an instrumentality of interstate commerce, even if used intrastate),
 21 cert. denied, 519 U.S. 1020 (1996); Anderson v. Delta Funding Corp., 316 F. Supp.2d 554, 565
 22 (N.D. Ohio 2004) (“loan transactions historically have been evaluated under the FAA because of
 23 the banking industry’s connection to commerce”); Providian Nat’l Bank v. Screws, 894 So.2d
 24 625, 627 (Ala. 2003) (credit card agreement between bank and the holders of its credit card
 25 clearly involves interstate commerce).

26 Furthermore, the Arbitration Provision in each of Plaintiffs’ Agreements specifically
 27 provides that it is governed by the FAA: “This Arbitration Provision is made pursuant to a
 28 transaction involving interstate commerce and shall be governed by the FAA.” Arbitration

1 Provision at ¶ 8. The Quintino agreement reads “This Arbitration Agreement is made pursuant
 2 to a transaction involving interstate commerce. It will be governed by the Federal Arbitration
 3 Act, 9 U.S.C. Sections 1-16, as amended (“FAA”). “ Courts consider such language evidence of
 4 the satisfaction of the interstate commerce requirement. See, e.g., Credit Acceptance Corp. v.
 5 Davisson, 644 F. Supp.2d 948, 954 (N.D. Ohio 2009) (finding FAA applied because “the
 6 Contract itself provides that “[t]he Federal Arbitration Act governs this Arbitration Clause.... The
 7 Arbitration Clause is governed by the Federal Arbitration Act . . . and not by any state arbitration
 8 law.”); Staples v. The Money Tree, Inc., 936 F. Supp. 856, 858 (M.D. Ala. 1996); Thomas
 9 O’Connor & Co. v. Ins. Co. of North America, 697 F. Supp. 563, 566 (D. Mass. 1988); Teel v.
 10 Beldon Roofing & Remodeling Co., 281 S.W.3d 446, 449 (Tex. App. 2007); see also Volt Info.
 11 Sciences, Inc. v. Bd. of Trustees, 489 U.S. 468, 479 (1989) (courts must “rigorously enforce
 12 [arbitration] agreements according to their terms.”).

13 Accordingly, the transactions at issue in this case were ones “involving commerce”
 14 within the meaning of the FAA and the FAA applies to this action. See Government of the
 15 Virgin Islands v. United Indus. Workers, N.A., 169 F.3d 172, 176 (3d Cir. 1999) (“[t]he Supreme
 16 Court has stated that the FAA’s reach coincides with that of the Commerce Clause.”).

17 (d) **Plaintiffs’ Claims Fall Within The Broad Scope Of The Arbitration**
 18 **Provisions.**

19 Federal law strongly favors the arbitration of disputes and the enforcement of arbitration
 20 agreements. Green Tree Fin. Corp. v. Randolph, 531 U.S. 79, 89 (2000); Simulate, Inc. v.
 21 Autoliv, Inc., 175 F.3d 716, 719 (9th Cir. 1999). Congress enacted the FAA to reverse centuries
 22 of judicial hostility to arbitration agreements by placing them on the same footing as other
 23 contracts. Shearson/American Express, Inc. v. McMahon, 482 U.S. 220, 225-26 (1987). Nevada
 24 public policy also favors arbitration because arbitration generally avoids the higher costs and
 25 longer time periods associated with traditional litigation. See Rose v. Chase Manhattan Bank
 26 USA, No. 3:05-CV-00522, 2006 WL 1520238, at *5 (D. Nev. May 30, 2006) (“Federal law ...
 27 (as well as Nevada law) favors the enforcement of arbitration agreements.”).
 28

Decisions under the FAA – including those in Nevada – have consistently made it clear that the FAA applies to consumer contracts. See, e.g., Randolph, 531 U.S. at 91-92 (enforcing arbitration clause between consumer and lender); Shearson/American Express, 482 U.S. at 222 (enforcing arbitration agreement between customer and brokerage firm); Coleman v. Assurant, Inc., 508 F. Supp.2d 862 (D. Nev. 2007) (enforcing arbitration provision in consumer credit card agreement); see also Stout v. J.D. Byrider, 228 F.3d 709, 715-716 (6th Cir. 2000) (enforcing arbitration agreement where plaintiff alleged violations of state consumer fraud statute with respect to sale of a car); Snowden v. CheckPoint Check Cashing, 290 F.3d 631, 639 (4th Cir. 2002) (enforcing arbitration agreement in payday loan contract), cert. denied, 123 S. Ct. 695 (2002); Harris v. Green Tree Fin. Corp., 183 F.3d 173 (3d Cir. 1999) (enforcing arbitration agreement between borrower and consumer finance company); Hill v. Gateway 2000, Inc., 105 F.3d 1147 (7th Cir. 1997) (enforcing arbitration agreement between consumer and computer manufacturer), cert. denied, 522 U.S. 808 (1997); Howard v. Wells Fargo Minn., N.A., No. 06-2821, 2007 WL 2778664 (N.D. Ohio Sept. 21, 2007) (enforcing arbitration agreement in residential mortgage). The United States Supreme Court itself has acknowledged that the FAA is intended to apply to consumer transactions and benefits consumers:

“We agree that Congress, when enacting this law [the Federal Arbitration Act] had the needs of consumers, as well as others, in mind. See S. Rep. No. 536, 68th Cong., 1st Sess., 3 (1924) (the Act, by avoiding ‘the delay and expense of litigation,’ will appeal ‘to big business and little business alike, . . . corporate interests [and] . . . individuals’). Indeed, arbitration’s advantages often would seem helpful to individuals . . . complaining about a product, who need a less expensive alternative to litigation. See, e.g., H.R. Rep. No. 97-542, p. 13 (1982).”

Allied-Bruce Terminix Cos., 513 U.S. at 290. In short, arbitration is highly favored for its “simplicity, informality, and expedition.” Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, Inc., 473 U.S. 614, 628 (1985).

Under the FAA, a court must compel arbitration if it finds: (1) that a valid arbitration agreement exists between the parties, and (2) that the dispute before it falls within the scope of

1 the agreement. See, e.g., Mitsubishi Motors Corp., 473 U.S. at 626-28; Fazio v. Lehman Bros.,
 2 Inc., 340 F.3d 386, 392 (6th Cir.2003); Hartford Accident & Indemnity Co. v. Swiss Reinsurance
 3 Am. Corp., 246 F.3d 219, 226 (2d Cir. 2001); Glass v. Kidder Peabody & Co., 114 F.3d 446, 453
 4 (4th Cir. 1997). It has long been well-settled law that the merits of the plaintiff's claims cannot
 5 be considered when deciding an arbitration motion. See, e.g., AT&T Technologies, Inc. v.
 6 Comm. Workers of Am., 475 U.S. 643, 649 (1986). As the Sixth Circuit succinctly explained:
 7 "Under the FAA, a district court's consideration of a motion to compel arbitration is limited to
 8 determining whether the parties entered into a valid Arbitration Agreement, and does not reach
 9 the merits of the parties' claims." Burden v. Check into Cash of Kentucky, LLC, 267 F.3d 483,
 10 487 (6th Cir. 2001), cert. denied, 535 U.S. 970 (2002). The requirements for enforcement of an
 11 arbitration agreement are satisfied in the present case.

12 **1. A Valid And Enforceable Arbitration Agreement Exists Between The**
 13 **Parties.**

14 Plaintiffs, of course, bear the burden of proving that the Arbitration Provision is invalid in
 15 some way. Randolph, 531 U.S. at 92; Inlandboatmens Union of the Pac. v. Dutra Group, 279
 16 F.3d 1075, 1079 (9th Cir. 2002) ("The burden thus falls upon the party contesting arbitrability to
 17 show how the language of the arbitration clause excludes a dispute from the clause's purview.").
 18 Lyman v. Mor Furniture For Less, Inc., No. 3:06-CV-00666, 2008 WL 624705, at *3 (D. Nev.
 19 Feb. 28, 2008) (plaintiff's burden to prove invalidity of arbitration agreement). Furthermore,
 20 courts may only invalidate arbitration agreements based upon generally applicable contract
 21 defenses. 9 U.S.C. § 2; Doctor's Assocs. v. Casarotto, 517 U.S. 681, 687 (1996). However,
 22 even when using doctrines of general applicability, such as unconscionability, courts are not
 23 permitted to employ those doctrines in a manner which would subject arbitration agreements to
 24 special scrutiny. See, e.g., Perry v. Thomas, 482 U.S. 483, 493 n.9 (1987). This is a heavy
 25 burden that Plaintiffs cannot satisfy.

26 The United States Supreme Court has specifically held that a court may only consider
 27 challenges directed specifically and solely to the arbitration agreement. Buckeye Check
 28 Cashing, Inc. v. Cardegna, 126 S. Ct. 1204, 1210 (2006); Prima Paint Corp. v. Flood & Conklin

1 Mfg. Co., 388 U.S. 395, 403-04 (1967). Thus, an arbitration agreement must be upheld and
 2 enforced by the courts even though the rest of the contract may later be held invalid by the
 3 arbitrator. Prima Paint, 388 U.S. at 404; Harris, 183 F.3d at 179; Coleman, 508 F. Supp.2d at
 4 866 ("Plaintiff agreed to the terms of the Agreement, including the arbitration provision, by
 5 using the MBNA credit card. Therefore, the Court finds that the Agreement is valid.").

6 There can be no serious dispute that the Arbitration Provisions here are valid and fully
 7 enforceable under the FAA. As detailed in the Gee Affidavit, in applying for and obtaining
 8 loans, Plaintiffs agreed to the terms of their Agreements, including the Arbitration Provisions.
 9 Indeed, three of four Plaintiffs could have rescinded their loan transactions or opted-out of the
 10 Arbitration Provisions, but did not. The Complaint does not contend otherwise.

11 **2. The Complaint Falls Squarely Within The Scope Of The Arbitration**
 12 **Provision.**

13 Plaintiffs' Complaint and the claims stated therein fall squarely within the scope of the
 14 Arbitration Provision. The FAA mandates that "any doubts concerning the scope of arbitrable
 15 issues should be resolved in favor of arbitration." Moses H. Cone Mem. Hosp., 460 U.S. at 24-
 16 25; accord Fazio, 340 F.3d at 392; Mundi v. Union Sec. Life Ins. Co., 555 F.3d 1042, 1044 (9th
 17 Cir. 2009) ("In determining whether parties have agreed to arbitrate a dispute, we apply 'general
 18 state-law principles of contract interpretation, while giving due regard to the federal policy in
 19 favor of arbitration by resolving ambiguities as to the scope of arbitration in favor of
 20 arbitration.'" (citing Wagner v. Stratton Oakmont, Inc., 83 F.3d 1046, 1049 (9th Cir. 1996));
 21 Balar Equip. Corp. v. VT Leeboy, Inc., 336 Fed. Appx. 688, 689 (9th Cir. 2009) ("In the absence
 22 of any express provision excluding a particular grievance from arbitration, . . . only the most
 23 forceful evidence of a purpose to exclude the claim from arbitration can prevail.") (citing AT&T
 24 Technologies, Inc., 475 U.S. at 650). Accordingly, the United States Supreme Court has held
 25 that a presumption of arbitrability exists where a contract contains an arbitration clause, and that
 26 an order to arbitrate should not be denied "unless it may be said with positive assurance that the
 27 arbitration clause is not susceptible to an interpretation that covers the asserted dispute." AT&T
 28 Technologies, Inc., 475 U.S. at 650. The presumption in favor of arbitrability "is particularly

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1 strong when the arbitration clause in question is broad,” *id.*, as it is in this case. *See Coleman,*
 2 *supra*, 508 F. Supp.2d at 866 (holding that “all of Plaintiff’s claims ... fall within the scope of
 3 [the] arbitration provision.... [T]he broad language of [the] arbitration provision encompasses all
 4 [of] Plaintiffs claims as to all parties.”).

5 Nevada courts have also repeatedly recognized that arbitration provisions are to be given
 6 the benefit of the doubt in favor of arbitration. *See, e.g., Lyman, supra*, 2008 WL 624705, at *3
 7 (applying Nevada law); *Mundi, supra*, 555 F.3d at 1044; *Eagle Star Ins. Co. v. Highlands Ins.*
 8 *Co.*, 165 Fed. Appx. 529, 531 (9th Cir. 2006) (“The existence of an arbitration agreement
 9 establishes a federal presumption in favor of arbitration, and ‘any doubts concerning the scope of
 10 arbitrable issues should be resolved in favor of arbitration’”) (citing *Moses H. Cone Mem. Hosp.*,
 11 460 U.S. at 24-25). An arbitration agreement creates a presumption that the parties agreed to
 12 arbitrate all disputes, including those regarding the validity of the contract in general. *Nagrampa*
 13 *v. MailCoups, Inc.*, 469 F.3d 1257, 1263-64 (9th Cir. 2006) (challenges to the validity or
 14 enforceability of the agreement containing the arbitration provision are referred to the arbitrator)
 15 (citing *Buckeye Check Cashing, Inc. v. Cardegna*, 546 U.S. 440 (2006)); *Roberts v. Synergistic*
 16 *Int’l, LLC*, 676 F. Supp. 2d 934, 947 (E.D. Cal. 2009) (If “a party challenges the validity of the
 17 contract as a whole, and not specifically [] the arbitration clause,” the issue “must go to the
 18 arbitrator.”) (citing *Buckeye*, 546 U.S. at 449).

19 Moreover, in addition to the strong presumption in favor of arbitrability, Plaintiffs’
 20 claims are clearly covered under the broad language of the Arbitration Provisions. All of
 21 Plaintiffs’ claims relate to the Rapid Cash Defendants’ attempts to collect on their loans. The
 22 Arbitration Provisions expressly provide that the claims subject to arbitration include claims
 23 relating to “our collection of any amounts you owe.” Arbitration Provisions at ¶ 2. The
 24 Arbitration Provisions further provide that they are “to be given the broadest possible meaning
 25 and include[] claims of every kind and nature[They] include[] disputes that seek relief of
 26 any type, including damages and/or injunctive, declaratory or other equitable relief.” *Id.* Indeed,
 27 it is well settled that claims for injunctive relief are subject to arbitration. *See Arriaga v. Cross*
 28

1 Country Bank, 163 F.Supp.2d 1189, 1192-93 (S.D. Cal. 2001); Lozano v. AT&T Wireless, 216
2 F.Supp.2d 1071, 1076-77 (C.D. Cal. 2002).

3 Accordingly, each and every one of Plaintiffs' claims falls within the scope of the
4 Arbitration Provision.

5 (e) **Plaintiffs Agreed To Arbitrate On An Individual Basis.**

6 Arbitration under the FAA is a matter of consent and arbitration agreements must be
7 enforced as written. Mastrobuono v. Shearson Lehman Hutton, Inc., 514 U.S. 52, 57 (1995);
8 Volt Info. Scis., Inc., 489 U.S. at 479. Indeed, the law recognizes a strong interest in the
9 enforceability of contracts in accordance with their terms. See Sander v. Alexander Richardson
10 Investments, 334 F.3d 712, 721 (8th Cir. 2003) ("Public policy demands enforcing contracts as
11 written and recognizing the parties' freedom to contract."). The FAA's "principal purpose" is to
12 "ensur[e] that private arbitration agreements are enforced according to their terms." Volt Info.
13 Scis., Inc., 489 U.S. at 478. "[I]t is the language of the contract that defines the scope of disputes
14 subject to arbitration . . . nothing in the statute [FAA] authorizes a court to compel arbitration of
15 any issues, or by any parties, that are not already covered in that agreement." EEOC v. Waffle
16 House, 534 U.S. 279, 289 (2002).

17 In recognition of this principle, state and federal courts applying Nevada law have
18 repeatedly enforced class action waivers. See, e.g., Lux v. Good Guys, No. SACV 05-300 CJC,
19 2005 U.S. Dist. LEXIS 35567, at *3 (C.D. Cal. June 27, 2005) (court enforced Nevada choice of
20 law clause and upheld validity of a class action waiver in the arbitration agreement); Santos v.
21 Household Int'l, Inc., No. 03-cv-01243 MJL, 2003 U.S. Dist. LEXIS 27936, at *16-17 (N.D. Cal.
22 Oct. 24, 2003) (in usury case court enforced Nevada choice-of-law clause and class action
23 waiver); Picardi, et al. v. FT Automotive III, LLC, Case No. A567514, Dept. No. XIII (District
24 Court of Clark County, Nevada) (Order dated October 14, 2008 granting Defendants' Motion to
25 Compel Arbitration) ("Plaintiff is ordered to submit her claims [against Defendants] to binding
26 and neutral arbitration without Plaintiffs' participation, in any manner, in any class action in the
27 manner identified by the valid Arbitration Agreement.").

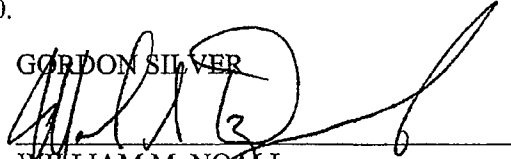
1 In accordance with the parties' Arbitration Agreements requiring Plaintiffs to submit
 2 their claims to arbitration if requested, and to do so only on an individual basis and not as a class
 3 action, Plaintiffs should be ordered to proceed with the individual arbitrations of their claims.

4 IV. CONCLUSION

5 The Rapid Cash Defendants' Motion to Compel Arbitration should be granted and the
 6 claims asserted against them should be stayed pending the completion of arbitration. Further,
 7 Plaintiffs should be ordered to proceed with arbitration of their claims on an individual basis.

8 DATED this 24 day of September, 2010.

9 GORDON SILVER

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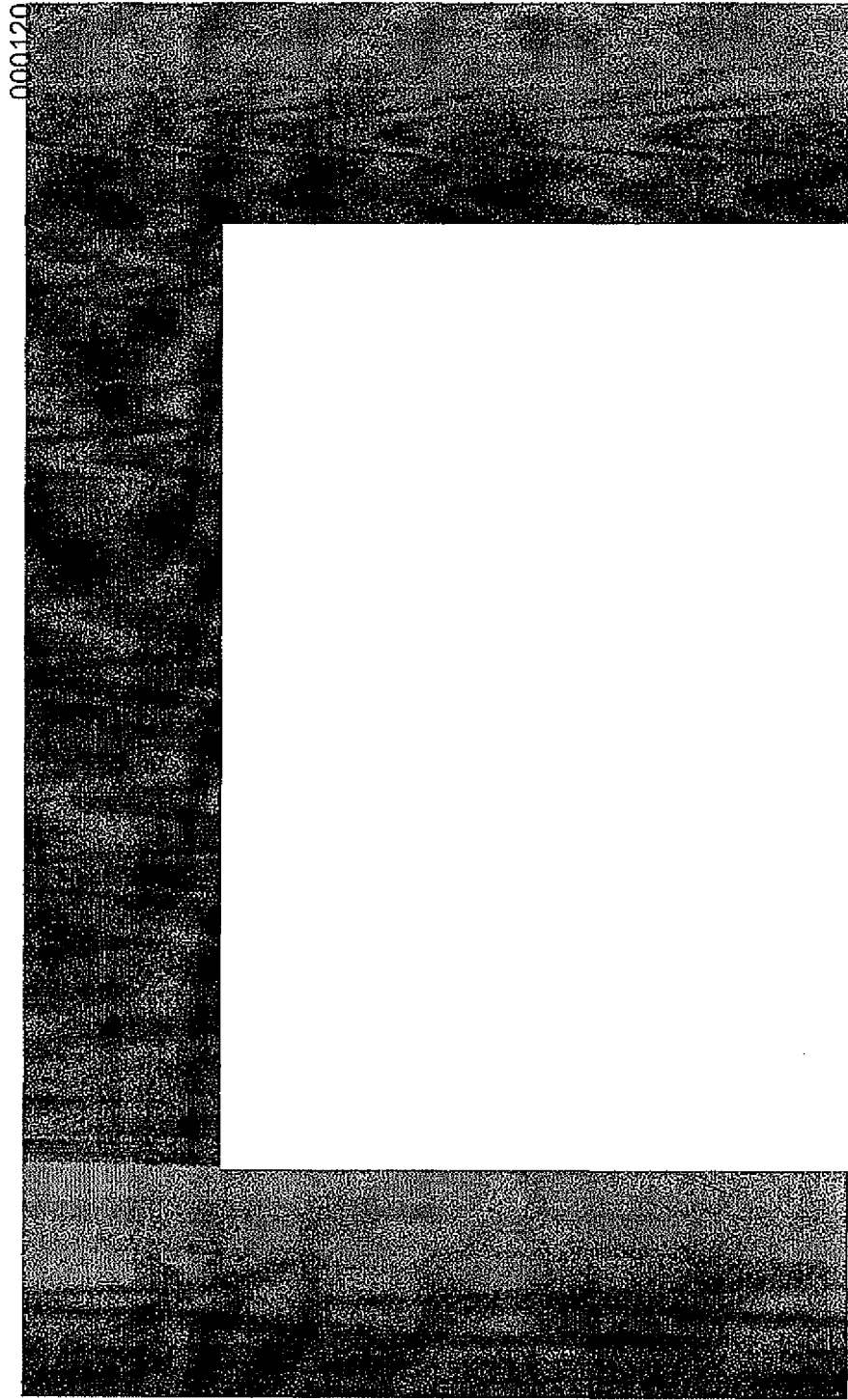
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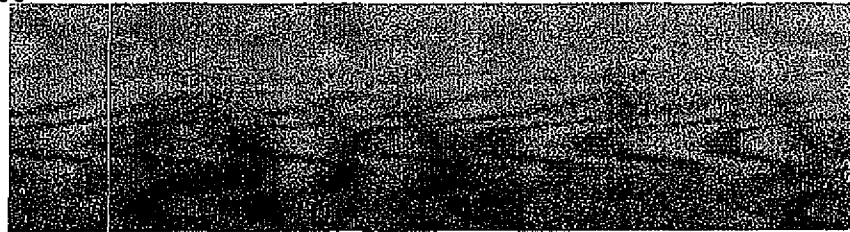
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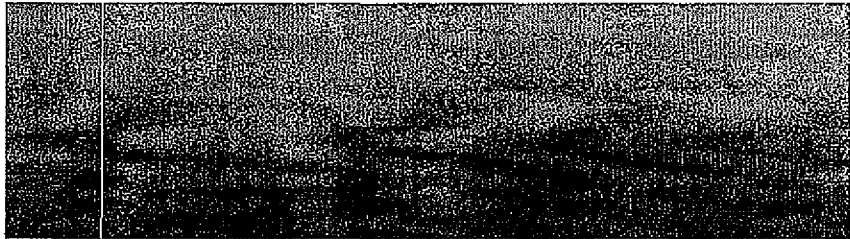
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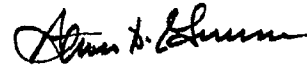
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19 **DISTRICT COURT**

20 **CLARK COUNTY, NEVADA**

21 Casandra Harrison; Eugene Varcados;
22 Concepcion Quintino; and Mary Dungan,
23 individually and on behalf of all persons
24 similarly situated,

25 Plaintiffs,

26 v.

27 Principal Investments, Inc. d/b/a Rapid Cash;
28 Granite Financial Services, Inc. d/b/a Rapid
Cash; FMMR Investments, Inc., d/b/a Rapid
Cash; Prime Group, Inc., d/b/a Rapid Cash;
Advance Group, Inc., d/b/a Rapid Cash;
Maurice Carroll, individually and d/b/a On
Scene Mediations; W.A.M. Rentals, LLC
and d/b/a On Scene Mediations; Vilisia
Coleman, and DOES I through X,
inclusive,

Defendants.

Case No.: A-10-624982-B

Dept. No.: XI

**OPPOSITION TO MOTION TO
COMPEL ARBITRATION
AND STAY ALL PROCEEDINGS**

Date of Hearing: October 12, 2010

Time of Hearing: 9:00 a.m.

I.

INTRODUCTION

This class action seeks to redress the fraud perpetrated on the courts and perhaps thousands of defendants in the Clark County, Nevada, judicial system through "sewer service," the despicable practice by which a process server attests to having served a summons and complaint upon a defendant when, in fact, the defendant was never served and is unaware that his legal rights are being adjudicated. Payday lender Rapid Cash, with sewer-service affidavits provided by its unlicensed process server On Scene Mediations,¹ obtained potentially thousands of default judgments against allegedly defaulting borrowers, eviscerating their due process rights while destroying their credit. Not once in the 16,663 justice court actions filed by Rapid cash in the last five years did Rapid Cash abide by the arbitration clause in each of the loan agreements it was collecting upon.

Having exclusively used the court system as its personal collection agency in thousands upon thousands of cases, this payday lender now wants to force the claims asserted in this putative class action into four individual arbitrations. Rapid Cash asks this Court to enforce the contractual arbitration clauses it has long ignored to force its victims into arbitration where there will be no meaningful accountability, when this case springs from Rapid Cash's actions taken during litigation and in categorical disregard of its own arbitration provision. No court should be a party to such blatant misuse of its process, and Rapid Cash must not be allowed to use its arbitration clause as both a sword and a shield, while leaving its victims completely defenseless.

Rapid Cash's arbitration clause and class action ban -- buried within its adhesion contract -- is unenforceable for at least five reasons, any one of which independently requires its motion be denied: (1) Rapid Cash waived the clause by filing litigation and taking default judgments against every member of the putative Class; (2) the class action ban is unconscionable and therefore the arbitration clause is null and void by its own terms; (3) the facts in this putative class action are

¹ For purposes of this motion, "On Scene Mediations" or "On Scene" refers to Defendant Maurice Carroll, individually and d/b/a On Scene Mediations, and any employee or agent thereof.

beyond the scope of the arbitration clause, (4) the arbitration clause is unenforceable on grounds of public policy; and (5) enforcement of the arbitration clause is against the public interest.

Rapid Cash has litigated to judgment against every member of the putative Class, and never once sought arbitration. While various legal theories of recovery are alleged in this case, it is predominately an independent action in equity for fraud upon the Court, seeking injunctive and other equitable relief. The important public policy and public interest issues presented by this case make it highly unsuitable for arbitration, and even more unsuitable for hundreds if not thousands of individual arbitrations. Rapid Cash's motion to compel arbitration must be denied, and this Court should promptly proceed to the class certification stage.

II.

STATEMENT OF FACTS²

A. **On Scene Was Rapid Cash's Process Server for Rapid Cash's Clark County, Nevada, Justice Court Actions against Allegedly Defaulting Payday Loan Customers.**

Rapid Cash is a short term, or "payday" lender, and also an automobile-title pawn lender. From 2004-2010, Maurice Carroll, d/b/a On Scene Mediations served as Rapid Cash's employee or agent to fulfill Rapid Cash's responsibility under JCRCF 4(a) to serve the Summons and a copy of the Complaint on each defendant borrower sued by Rapid Cash. An investigation by the Justice Court and Metro has revealed that On Scene did not actually deliver the summonses and complaints it was tasked to serve, but merely executed affidavits fraudulently attesting that service had been accomplished. An unreasonably high number of those affidavits attest that the documents were personally served on the day they were received from Rapid Cash (a near-miracle in process serving), and in the rare case that a defendant learned of his suit in time to set aside the default Rapid Cash easily obtained against him, Rapid Cash would swiftly stipulate to the set-aside to avoid any evidentiary hearing on the validity of the service. Sewer service became an all too frequent occurrence for On Scene and its employees pursuant, according to

² These facts are taken from the Complaint and Rapid Cash's Motion to Compel Arbitration, as well as Plaintiffs' attached Affidavits.

1 "office manager" Vilisia Coleman, a policy directive that came from owner Maurice Carroll, who
2 were both indicted for these practices in August 2010.

3 On Scene's sewer service allowed Rapid Cash to file an incredible number of collection
4 lawsuits against its customers, rather than invoke its arbitration clause. During the six-year
5 period from 2004-2009, Rapid Cash filed 16,663 cases in the Clark County Justice Court system,
6 a whopping average of 2,777 cases per year and 53 cases each week, collecting default judgments
7 and garnishing wages of borrowers who had zero notice that their rights had been judicially
8 determined.

9 Sometime after January, 2009, when civil cases began being assigned to only two Justices
10 of the Peace in Clark County, Nevada, Las Vegas Township, the Court noticed the unusual
11 pattern of purported same-day service in On Scene's affidavits, and the Court made counsel for
12 Rapid Cash aware of the suspicious nature of such representations. But nothing changed, except
13 the affidavits began showing an interval of time between receipt of the Summons and successful
14 completion of service.

15 Also, if a Rapid Cash defendant would move to set aside a default judgment on the basis
16 of lack of service, the Rapid Cash attorney -- presumably with the express consent of his/her
17 client, Rapid Cash, and in any event an act done on behalf of Rapid Cash for which Rapid Cash
18 is responsible and charged with knowledge -- would stipulate to set the default judgment aside
19 instead of having the process server come in and testify at an evidentiary hearing, suppressing
20 discovery of the fraud.

21 **B. The Universal Victimization of an Entire Class of Rapid Cash Borrowers.**

22 Rapid Cash, through the acts of its agent On Scene, and by condoning or -- at the very
23 least -- overlooking the blatant misconduct by its process server, perpetrated a widespread fraud
24 on the Clark County Justice Courts and potentially thousands of Rapid Cash customers. This
25 illegal, fraudulent pattern, policy, and practice by Rapid Cash and On Scene deprived these
26 defendants of due process of law (Nev. Const. Art. 1, Sec. 8), resulting in hundreds if not
27 thousands of void default judgments being entered without the opportunity to respond or defend.

1 The outcome was that Rapid Cash obtained hundreds -- if not thousands -- of void default
2 judgments and garnishments, undermining the foundation of the legal system.

3 There is no evidence that Rapid Cash sought to arbitrate any of these cases.

4 Plaintiffs, Cassandra Harrison, Eugene Varcados, Concepcion Quintino, and Mary
5 Dungan, were all Rapid Cash customers. Each was sued by Rapid Cash. At no time---until
6 now---did Rapid Cash ever invoke its arbitration clause. Instead, in each of thousands of cases,
7 Rapid Cash invoked judicial power by filing a Complaint in Justice Court, and obtained issuance
8 of a Summons, ordering the defendant to answer in Court. It then filed affidavits of service
9 signed by On Scene representatives attesting that Plaintiffs herein and each member of the
10 putative Class were served with a summons and complaint. But they weren't. In fact, they never
11 received service. Rapid Cash then filed a Default, an Application for Default Judgment, an
12 Affidavit in Support of Application for Entry of Default Judgment, a Memorandum of Costs and
13 Disbursements, an Affidavit in Support of Attorney's Fees, and a Default Judgment. As to some
14 Plaintiffs and members of the putative Class, Rapid Cash then filed a Writ of Execution. Most
15 did not learn that Rapid Cash had sued them until their paychecks were garnished after entry of
16 default. (See: Affidavits of Cassandra Harrison, Eugene Varcados, Concepcion Quintino, and
17 Mary Dungan, attached as Exhibit Nos. 1, 2, 3 and 4, respectively, to Plaintiff's Motion to
18 Certify Class.)

19 **C. Plaintiffs Initiated this Class Action on behalf of all Similarly Situated Victims of**
20 **Rapid Cash's and On Scene's Sewer Service, and Motions for Class Certification**
and Injunctive Relief are Pending.

21 On September 9, 2010, Plaintiffs filed this action on behalf of the class of "all customers
22 of Rapid Cash offices in Clark County, Nevada, against whom Rapid Cash obtained default
23 judgments in the Justice Courts of Clark County, Nevada, and for which the only evidence that
24 the defendant received service of process of Rapid Cash's lawsuit was an affidavit signed by a
25 representative of On Scene Mediations," and their motion to certify this class is pending. The
26 widespread nature of this practice and its universal impact on the Rapid Cash customers
27 victimized by it makes this case perfect for class treatment and extraordinarily unsuitable for
28

1 individual arbitrations. With potentially thousands of class members, numerosity is obvious. By
2 making sewer service the policy and practice for Rapid Cash's lawsuits, On Scene ensured that
3 all class members would share the very same predominant questions of law and fact. And the
4 unique facts and circumstances of this case make the class action vehicle the superior method by
5 which to litigate this case.

6 **D. After Ignoring its Arbitration Clause to File nearly 17,000 Justice Court Lawsuits,**
7 **Rapid Cash Now Seeks to Compel Arbitration.**

8 Having obtained a default judgment against every member of the putative Class by
9 ignoring its arbitration clause, and facing a class action lawsuit as a result, Rapid Cash now
10 wants to invoke this provision and the class action ban contained in its payday loan agreements.
11 All of the payday loan agreements are pre-printed forms, offered on a take-it-or-leave-it basis;
12 there was no discussion of any opportunity to negotiate any of its terms. (Affidavits of Cassandra
13 Harrison, Eugene Varcados, Concepcion Quintino, and Mary Dungan, attached as Exhibit Nos. 1,
14 2, 3 and 4, respectively).

15 In its Motion and supporting documents, Rapid Cash correctly sets forth the relevant
16 provisions of the payday loan agreements, with the exception of the omission of, on page 4 of 5,
17 Section 9, which provides: "...if Section 5(C) [class action ban], (D) and/or (E) [joinder or
18 consolidation of claims] is declared invalid in a proceeding between you and us...this entire
19 Arbitration Provision (other than this sentence) shall be null and void..."³ (See: Exhibit A,
20 among other loan agreements, attached to Affidavit of Richard Duke Gee).

21 Plaintiffs seek *inter alia* declaratory and injunctive relief, the setting aside of the void
22 default judgments obtained through On Scene's sewer service, restitution, disgorgement,
23 damages, and punitive damages for the egregious practices alleged in the Complaint.

24 _____
25 ³ In the contracts of Casandra Harrison, Eugene Varcados, and Mary Dungan, Section 9 states, "If any
26 part of this Arbitration Provision cannot be enforced, the rest of this Arbitration Provision will continue
27 to apply; provided, however, that if Section 5(C),(D) and/or (E) is declared invalid in a proceeding
28 between you and us, without in any way impairing the right to appeal such decision, this entire
Arbitration Provision (other than this sentence) shall be null and void in such proceeding." There is no
class action ban in Concepcion Quintino's contract.

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28III.
ARGUMENT

Rapid Cash's arbitration clause and class action ban -- buried within its adhesion contract -- is unenforceable for at least five independent reasons. First, Rapid Cash waived the clause by filing litigation and taking default judgments against every member of the putative Class. Courts do not allow a party to use the judicial process to litigate and then seek to invoke an arbitration clause. After litigating cases to judgment, and now once Rapid Cash is sought to be held accountable for its conduct in the very litigation it initiated rather than seek arbitration, Rapid Cash cannot be permitted to hypocritically invoke its arbitration clause to its own advantage.

Second, the class action ban is both procedurally and substantively unconscionable, and it effectively serves as an exculpatory clause, relieving Rapid Cash of any realistic liability for widespread harm. Once this Court finds the class action ban unenforceable, then the arbitration clause is "null and void" by its own terms.

Third, the facts in this putative class action are beyond the scope of the arbitration clause. Courts interpreting the scope of broadly worded arbitration clauses such as that present in the Rapid Cash payday loan agreement nevertheless require that an arbitrable dispute have a significant relationship to the contract, and at least one court has refused to interpret any arbitration agreement as applying to outrageous torts that are unforeseeable to a reasonable consumer in the context of normal business dealings.

Fourth, the arbitration clause is unenforceable on grounds of public policy. The essence of this case concerns a fraud upon the court, and this Court must not permit any party to any contract containing an arbitration clause who is alleged to have committed fraud upon the court to send the determination of such conduct to private arbitration, under the Court's inherent authority to control its docket and to prevent an abuse of the judicial process.

Fifth, this case is brought at least in part in the public interest to restore public confidence in the integrity of the judicial system. It demands a public hearing, rather than being swept under the rug in private, individual arbitrations.

1 A. State Law Concerning Contract Enforceability Applies to Arbitration Clauses.

2 "[S]tate law, whether of legislative or judicial origin," may be applied to invalidate
 3 arbitration clauses "if that law arose to govern issues concerning the validity, revocability, and
 4 enforceability of contracts generally." Perry v. Thomas, 482 U.S. 483, 492 n.9 (1987) (emphasis
 5 in original). In particular, the U.S. Supreme Court has stated that state contract law of
 6 unconscionability "may be applied to invalidate arbitration agreements without contravening" the
 7 Federal Arbitration Act (FAA). Doctor's Associates, Inc. v. Casarotto, 517 U.S. 681, 687
 8 (1996). The FAA policy in favor of enforcing arbitration clauses does not come into play in
 9 determining whether an enforceable agreement to arbitrate exists.⁴ To the contrary, the question
 10 of whether the parties have entered into an agreement to arbitrate is resolved through application
 11 of state contract principles that govern the formation of any contractual agreement including
 12 fraud, waiver, duress, and unconscionability.⁵ Accordingly, challenges to the enforcement of

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24 ⁴ Carson v. Giant Food, Inc., 175 F.3d 325, 329 (4th Cir. 1999); Va. Carolina Tools, Inc. v. Int'l Tool
 25 Supply, Inc., 984 F.2d 113, 117 (4th Cir. 1993); Badie v. Bank of Am., 67 Cal.App.4th 779, 790, 79
 Cal.Rptr.2d 273, 280 (1998).

26 ⁵ See e.g.: BancOne Acceptance Corp. v. Hill, 367 F.3d 426, 431, 432 (5th Cir. 2004) (holding FAA does
 27 not preempt state unconscionability law); In re Media Arts Group, 116 S.W.3d 900, 906 (Tex.App. 2003)
 28 (FAA does not preempt state waiver law).

1 arbitration clauses based on these defenses are governed by state law,⁶ even when the FAA
2 applies to the arbitration clause.⁷

3 **B. There Could Be No Clearer Case That Rapid Cash Has Waived its Right to Invoke**
4 **the Arbitration Clause/Class Action Ban by its Litigation Conduct in Filing and**
5 **Taking Cases Against Class Members to Judgment.**

6 The arbitration clause with class action ban is unenforceable because Rapid Cash, by its
7 categorical rejection of this provision, has waived any right to invoke the arbitration clause in its
8 payday loan contracts. The Supreme Court of Nevada has articulated a three-prong test for
9 waiver of an arbitration clause. A waiver may be shown when the party seeking to arbitrate (1)

10 ⁶ Although at p. 8, line 4 of its Motion to Compel Arbitration and Stay All Proceedings Rapid Cash
11 quotes the arbitration clause/class action ban as requiring application of Kansas law, nowhere does Rapid
12 Cash argue for application of Kansas law generally or any particular Kansas law. In fact, Rapid Cash
13 itself occasionally cites Nevada case law, which suggest that Rapid Cash consents to application of
14 Nevada law and has waived its choice-of-law clause. If Rapid Cash argues otherwise, then Plaintiffs
15 contend Rapid Cash's choice-of-law clause is invalid. In Engel v. Ernst, 102 Nev. 390, 724 P.2d 215
16 (1986), the Supreme Court of Nevada provided that it is "well settled that parties are permitted to select
17 the law that will govern the validity and effect of their contract." 724 P.2d at 216. However, the parties
18 are limited in that they must act in good faith and not for the purpose of "evading the law of the real situs
19 of the contract." *Id.* at 217. Moreover, the situs must have a **substantial relationship** to the agreement
20 and the agreement must not be contrary to the public policy of the forum. *Id.*

21 A substantial relationship with a certain situs can be established by formation of the contract
22 occurring within the selected situs. Ferdie Sievers and Lake Tahoe Land Co., Inc. v. Diversified Mort.
23 Investors, 95 Nev. 811, 603 P.2d 270 (1979). A substantial relationship may also be created through
24 having bank accounts within the selected situs and making payments to an entity within the situs. *Id.* 603
25 P.2d at 273. A substantial relationship can be formed by having the headquarters of a business in the
26 chosen situs. Engel, 724 P.2d at 217. It can also be established through visiting the foreign situs for
27 matters related to the business, evincing a belief that the foreign situs is recognized as the site of the
28 headquarters. *Id.*

For Kansas law to apply, Kansas must have a substantial relationship to the case. Otherwise,
Nevada law will apply. Similar to the facts in Ferdie Sievers, the contract was formed in Nevada, the
plaintiffs lived in Nevada, the bank accounts that were used by the plaintiffs were in Nevada, and the
plaintiffs were required to make their payments to Rapid Cash locations in Nevada. Therefore, Kansas
does not have a substantial relationship to the case and as a result, Nevada law must apply.

⁷ Strictly for purposes of clarity, Plaintiffs note that both parties have presented the issues of existence
and enforceability of the arbitration clause/class action ban for decision by this Court, as opposed to
suggesting an arbitrator must decide anything at this point. This case has nothing whatever to do with the
payday loan agreement of any member of the putative Class and does not seek to challenge the validity of
the payday loan agreement *per se*, though they challenge the enforceability of Rapid Cash's arbitration
clause/class action ban, which are issues for this Court to decide.

1 knew of its right to arbitrate, (2) acted inconsistently with that right, and (3) prejudiced the other
2 party by his inconsistent acts. *See: Nevada Gold & Casinos, Inc. v. Am. Heritage, Inc.*, 121 Nev.
3 84, 90-91, 110 P.3d 481 (2005) (finding waiver through litigation conduct). Rapid Cash's
4 conduct satisfies all three elements of the waiver test.

5 First, there can be no legitimate dispute that Rapid Cash is aware of this provision as it is
6 contained in its own form contracts. Second, Rapid Cash has acted in a manner completely
7 inconsistent with its right to arbitrate claims arising from its payday loan agreements by filing
8 *thousands* of lawsuits per year *for years* in the Justice Courts of Clark County, purportedly to
9 enforce its rights under these agreements. There is no evidence that Rapid Cash has *even once*
10 demanded arbitration in one of these payday loan cases. And, indeed, *every member of the*
11 *putative Class as defined has not only been sued by Rapid Cash but also suffered entry of a*
12 *default judgment in Justice Court months or years before Rapid Cash now utters the phrase*
13 *"arbitration clause."* For Rapid Cash to now claim that it wants to arbitrate any putative Class
14 member's claim from this point forward is laughably hypocritical. Rapid Cash has not merely
15 acted in a manner inconsistent with a right to arbitrate, with 16,663 justice court lawsuits – an
16 average of 53 new cases filed each week in blatant disregard of its own arbitration clauses –
17 Rapid Cash may very well be our court system's Customer of the Decade. The Ninth Circuit has
18 held that when a defendant makes a "conscious decision to continue to seek judicial judgment on
19 the merits of the arbitrable claims," he has then waived the right to compel arbitration. *Van Ness*
20 *Townhouses v. Mar Indus. Corp.*, 862 F.2d 754, 759 (9th Cir. 1988).

21 Third and finally, Rapid Cash's conduct has caused significant prejudice to the putative
22 Class members. In the context of waiver of the right to arbitrate, "prejudice" refers to inherent
23 unfairness, i.e., a party's attempt to have it both ways by switching between litigation and
24 arbitration to its own advantage. As articulated by the Supreme Court of Nevada, prejudice may
25 be shown *inter alia* where a party has litigated "substantial issues on the merits." *Nevada Gold*
26 *and Casinos, Inc.*, 121 Nev. at 91. Rapid Cash chose to litigate against every member of the
27 putative Class. Rapid Cash filed suit, and then falsely represented to the Justice Court that it had
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1 successfully served the Summons and Complaint. Rapid Cash then filed applications for default
2 and default judgments, with affidavits, further invoking the power of the Justice Court and
3 seeking a judicial resolution. It then applied for court costs and attorney's fees, and obtained
4 judgments against every member of the putative Class and then enforced those judgments
5 through garnishments and other action. Such deliberate invocation of the judicial process and
6 power to one party's advantage and another's detriment is precisely the kind of inherent
7 unfairness and prejudice that requires this Court to find a waiver.

8 It is difficult to imagine greater prejudice than having suffered entry of a fraudulent and
9 void default judgment. Yet now, when Rapid Cash is sought to be held accountable for its
10 misconduct in the very litigation it initiated by ignoring its own arbitration clauses, Rapid
11 Cash hypocritically invokes those clauses to its own advantage. Indeed, the facts of this case are
12 so outrageous that no reported case could be found wherein a party demanded arbitration after
13 having secured a judgment against its opposing party. But the jurisprudence in this area
14 demonstrates that courts consistently find waiver on far less court-based conduct. Simply
15 bringing a motion to dismiss or seeking summary judgment is inconsistent with arbitration and
16 waives the right to arbitrate the dispute. Karnette v. Wolpoff & Abramson, L.L.P., 444 F.
17 Supp.2d 640 (E.D. Va. 2006); see also: Atkins v. Rustic Woods Partners, 171 Ill.App.3d 373,
18 379, 525 N.E.2d 551, 555 (1988) ("submitting substantive issues to the court for determination
19 manifests an intent to abandon the right to arbitrate"); Cox v. Howard, Weil, Labouisse,
20 Friedrichs, Inc., 619 So.2d 908, 914 (Miss. 1993) (waiver found after party sought summary
21 judgment). The overarching inquiry is the degree to which the party seeking to compel
22 arbitration has engaged in acts that demonstrate a desire to resolve the claims judicially rather
23 than through arbitration. Thus, it goes without saying that filing suit and applying for and
24 securing a default judgment indicates a desire to resolve claims judicially and rather than through
25 arbitration. Rapid Cash's choice to litigate with its borrowers waived any right it had to force its
26 borrowers into arbitration.

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1 **C. Rapid Cash's Arbitration Clause with Class Action Ban Is Unconscionable, and**
 2 **Therefore Unenforceable under Nevada Law.**

3 **1. If the Class Action Ban is Unenforceable Then the Arbitration Clause is**
 4 **Null and Void.**

5 If this Court finds the class action ban unenforceable for any of the following reasons,
 6 then the entire arbitration clause is void by its own text. Section 9 states, "...If Section 5(C)
 7 [class action ban], (D) and/or (E) [joinder or consolidation of claims] is declared invalid in a
 8 proceeding between you and us...this entire Arbitration Provision (other than this sentence) shall
 9 be null and void..."⁸ This kind of contract term – "if we can't have the class-action ban, we don't
 10 want arbitration at all" – is often referred to as a "blow up" clause.

11 It is not difficult to discern why Rapid Cash would write a "blow up" clause into its deals.
 12 Courts, constrained by review provisions of federal law, will not overturn an arbitrator's decision
 13 except in the most narrow and rare of circumstances. One federal court of appeals recently held
 14 that arbitrators' decisions may not be overturned even when their legal reasoning is "wacky,"⁹
 15 and another federal court of appeals held that arbitrators' decisions can't be overturned even if
 16 they include "gross errors"¹⁰ of legal reasoning. The United States Supreme Court itself has held
 17 that arbitrators' decisions can't be overturned even when their findings of fact are "silly."¹¹ So,
 18 while it is apparent that Rapid Cash is happy to force individual disputes with its borrowers into
 19 arbitration without any meaningful review, if the Court strikes the class action ban, then Rapid
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21 ⁸In the contracts of Casandra Harrison, Eugene Varcados, and Mary Dungan, Section 9 states, "If any
 22 part of this Arbitration Provision cannot be enforced, the rest of this Arbitration Provision will continue
 23 to apply; provided, however, that if Section 5(C),(D) and/or (E) is declared invalid in a proceeding
 24 between you and us, without in any way impairing the right to appeal such decision, this entire
 Arbitration Provision (other than this sentence) shall be null and void in such proceeding." There is no
 class action ban in Conception Quintino's contract.

25 ⁹ *Wise v. Wachovia Sec., LLC*, 450 F.3d 265, 269 (7th Cir. 2006).

26 ¹⁰ *Pfeifle v. Chemoil Corp.*, 73 Fed.Appx. 720, 723 (5th Cir. 2003) (quoting *Widell v. Wolf*, 43 F.3d
 1150, 1151 (7th Cir. 1994).

27 ¹¹ *Major League Baseball Players Ass'n v. Garvey*, 532 U.S. 504, 509 (2001).

1 Cash wants no part of a class action taking place in arbitration; instead, Rapid Cash wants what it
2 denies its borrowers: the protection of due process and meaningful review in court.

3 In any event, as there is no federal or state policy favoring class action bans, Rapid Cash's
4 choice to include a "blow-up" clause places the validity of the entire arbitration provision on the
5 enforceability of the class action ban.

6 **2. *Rapid Cash's Arbitration Clause with Class Action Ban Is Procedurally and***
7 ***Substantively Unconscionable.***

8 The Court in D.R. Horton, Inc. v. Green, stated, "[g]enerally, both procedural and
9 substantive unconscionability must be present in order for a court to exercise its discretion to
10 refuse to enforce a . . . clause as unconscionable." 120 Nev. 549, 553, 96 P.3d 1159 (2004)
11 (citing Burch v. Dist. Ct., 118 Nev. 438, 443, 49 P.3d 647, 650 (2002)). Procedural
12 unconscionability concerns unequal bargaining power. D.R. Horton, 120 Nev. at 554 (citing
13 Armendariz v. Foundation Health Psychcare, 6 P.3d 669, 690 (Cal. 2000)). Substantive
14 unconscionability "focuses on the one-sidedness of the contract terms." Id. (quoting Ting v. AT
15 & T, 319 F.3d 1126, 1149 (9th Cir. 2003), cert. denied, 540 U.S. 811). While both procedural
16 and substantive unconscionability are required in order for a court to refuse to enforce a contract
17 clause as unconscionable, the Nevada Supreme Court has held that in order to establish
18 unconscionability, less evidence of substantive unconscionability is required where procedural
19 unconscionability is great. See Burch, 118 Nev. at 444 (citing Armendariz, 6 P.3d at 690). It is
20 reasonable that the reverse is also true — that less procedural unconscionability is required in
21 cases involving great substantive unconscionability. In fact, the California Supreme Court held
22 precisely that in Armendariz: "In other words, the more substantively oppressive the contract
23 term, the less evidence of procedural unconscionability is required to come to the conclusion that
24 the term is unenforceable, and vice versa." Armendariz, 6 P.3d at 690.

25 Learned treatises on this issue share that view. See, e.g., 15 WILLISTON ON
26 CONTRACTS § 1763A (3d ed. 1972) ("Essentially a sliding scale is invoked which disregards
27 the regularity of the procedural process of the contract formation, that creates the terms, in
28 proportion to the greater harshness or unreasonableness of the substantive terms themselves.").

1 Thus, where great substantive unconscionability exists, less evidence of procedural
2 unconscionability is necessary in order to find a contract clause unconscionable.

3 a. *Rapid Cash's Arbitration Clause is Procedurally Unconscionable As a*
4 *Contract of Adhesion; the Opt-Out Provision Does Not Make an Invalid*
5 *Arbitration Clause Enforceable.*

6 "An adhesion contract has been defined as a standardized contract form offered to
7 consumers of goods and services essentially on a 'take it or leave it' basis, without affording the
8 consumer a *realistic* opportunity to bargain, and under such conditions that the consumer cannot
9 obtain the desired product or service except by acquiescing to the form of the contract."

10 Obstetrics and Gynecologists v. Pepper, 101 Nev. 105, 107, 693 P.2d 1259, 1260 (1985)

11 (emphasis supplied) (arbitration agreement form handed to patient at medical clinic by
12 receptionist as a condition of receiving treatment was a contract of adhesion). "The distinctive
13 feature of an adhesion contract is that the weaker party has no choice as to its terms." *Id.* There
14 can be no doubt here but that Rapid Cash's pre-printed, form loan contract is a contract of
15 adhesion. It was presented on a take-it-or-leave-it basis with no discussion that any of its terms
16 were negotiable. (See: Affidavits of Plaintiffs, attached as Exhibit Nos. 1, 2, 3, and 4). This
17 alone establishes procedural unconscionability in Nevada. D.R. Horton, 120 Nev. at 554
18 ("clause is procedurally unconscionable when a party lacks a *meaningful* opportunity to agree to
19 the clause terms. . . because of unequal bargaining power, as in an adhesion contract...")
(emphasis added).

20 To fend off the trend of courts finding arbitration clauses in form contracts with or
21 without class action bans unenforceable, companies cleverly started to add new contract terms,
22 including opt-out provisions, as Rapid Cash has done here. These "Opt-Out" clauses purport to
23 give consumers the right to reject forced, binding, pre-dispute arbitration. The implication the
24 companies would like the courts to draw is that since the clause exists, the consumers have been
25 provided an opportunity to bargain and so the pre-printed form contract is not procedurally
26 unconscionable. However, this theory does not hold up because there is no *realistic* or
27 *meaningful* opportunity to bargain. F. Paul Bland, Jr. & Claire Prestel, Challenging Class Action
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1 Bans in Mandatory Arbitration Clauses, 10 CARDOZO J. CONFLICT RESOL. 369, 387-389 (2009).

2 “Burying an opt-out clause in a fine-print contract does not mean that every consumer or
3 employee who fails to opt out has chosen arbitration voluntarily.” *Id.* at 387. Companies utilize
4 such language as a strategy, knowing that most consumers, and few if any potential class
5 members, fully read contracts. Simply adding this language does not indicate that the consumer
6 understands arbitration or how it differs from litigation.

7 Commentators have explained why this is so: optimism bias means
8 that potential plaintiffs will underestimate the risk of a future
9 dispute and undervalue their right to proceed in court; status quo
10 bias encourages the default option and makes opt outs unlikely;
11 many consumers and employees will not read a standard-form
12 agreement, let alone understand it; contracts are often confusingly
written...consumers and employees often face a paralyzing
information overload. . . . and consumers and employees have less
information than corporate defendants about the arbitration
process, and this lack of information makes a meaningful choice
more difficult.

13 *Id.* at 387-388 (citing multiple sources). There are numerous examples where opt-out rights are
14 rarely utilized. These include music subscription clubs, “Free Credit Report” clubs, and athletic
15 clubs. Companies rely on the “status quo” or “inertia bias” where subscribers fail to cancel
16 automatically renewed subscriptions. *Id.* Arbitration opt out clauses carry the same result,
17 meaning there was no true voluntary choice.

18 Rapid Cash argues that the consumer has a meaningful time to opt out because three of
19 the four contracts allow 30 days to opt out.¹² Any such opt out provision is not *meaningful* and
20 does not substitute for a *realistic* opportunity to bargain. The Rapid Cash consumer is someone
21 without credit options who is forced to sign whatever triple digit interest paperwork is set before
22 them in order to acquire funds they are under pressure to obtain at that moment. A meaningful
23 time to be allowed to opt out would be after a dispute has developed. It is highly probable that
24 few, if any, Rapid Cash consumers have opted out of arbitration. However, this clause does not
25 change the contract from a take-it-or-leave-it contract of adhesion to an equally negotiated
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28 ¹² Conception Quintino’s loan agreement does not contain the opt out provision.

1 contract. Between the unsophisticated consumer and the business savvy payday loan companies,
2 there is a great disparity and, in reality, no bargaining power on the part of the consumer. A six
3 page contract, in 10 point font, with the arbitration provision covering 2 ½ single-spaced pages at
4 the end of the contract, does not present the consumer with a meaningful choice.

5 The California courts have held several arbitration agreements procedurally
6 unconscionable despite the presence of an opt-out clause. Gentry v. Super. Ct., 42 Cal.4th 443,
7 457, 165 P.3d 556 (Cal. 2007), Hoffman v. Citibank, N.A., 546 F.3d 1078, (9th Cir. 2008). In
8 Hoffman, the Court of Appeals looked at contract provisions that included the option for the
9 consumer to file in small claims court, Citibank picking up the tab in certain circumstances, and
10 an "opt-out" clause which required the consumer to notify Citibank, in writing, within 26 days if
11 she wished to not accept the binding arbitration provision. The court stated, "two district courts
12 in our circuit have determined that the ability to rescind a contract within 21 or 30 days does not
13 necessarily insulate class arbitration waivers within such contracts from procedural
14 unconscionability. Additionally, this circuit has 'consistently followed the courts that reject the
15 notion that the existence of 'marketplace alternatives' bars a finding of procedural
16 unconscionability.'" Id. at 1085.

17 Rapid Cash loan agreements are procedurally unconscionable contracts of adhesion, and
18 the opt out provision does not change that fact.

19 *b. Rapid Cash's Class Action Ban is Substantively*
20 *Unconscionable Because It Is Exculpatory in this Case.*

21 Rapid Cash's class action ban is substantively unconscionable because it effectively
22 serves as an exculpatory clause, relieving Rapid Cash of any liability for wrongdoing in
23 situations like this, where the potential recovery to individuals is small and a lack of financial
24 and legal sophistication by the consumer is the norm. Noted conservative Judge Posner has
25 cogently observed, "The *realistic* alternative to a class action is not 17 million individual suits,
26 but zero individual suits, as only a lunatic or a fanatic sues for \$30." Carnegie v. Household
27 Int'l. Inc., 376 F.3d 656, 661 (7th Cir. 2004). The Ninth Circuit affirmed this reasoning in Ting
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1 v. AT & T, 182 F. Supp. 2d 902 (N.D. Cal. 2002), aff'd with regard to unconscionability, 319
2 F.3d 1126 (9th Cir. 2003). In Ting, the district court not only held that the prohibition on class
3 actions was substantively unconscionable because it was one-sided and non-mutual, but also
4 because it acted as a *de facto* exculpatory clause. Ting, 182 F. Supp. 2d at 930-31. The facts
5 revealed that "[s]imply put, the potential reward would be insufficient to motivate private
6 counsel to assume the risks of prosecuting the case for just an individual on a contingency basis."
7 Id. at 918; see also Gentry v. Super. Ct., 42 Cal.4th 443, 457, 165 P.3d 556, 564 (Cal. 2007)
8 (stating that class action waivers can be exculpatory in practical terms when they make it "very
9 difficult for those injured by unlawful conduct to pursue a legal remedy" even if more than
10 minimal amounts of damages are at issue).

11 Numerous reported state courts and federal court decisions interpreting state law have
12 similarly declared class action bans unconscionable where they exculpate corporations from
13 liability for small claims. See, e.g., Skirchak v. Dynamics Research Corp., Inc., 432 F. Supp. 2d
14 175, 181 (D. Mass. 2006), aff'd, 508 F.3d 49 (1st Cir. 2007) (holding a class action ban
15 substantively unconscionable because it "circumscribes the legal options of these employees,
16 who may be unable to incur the expense of individually pursuing their claims"); Ting, 182 F.
17 Supp. 2d at 930 (holding a class action ban substantively unconscionable in part because it "will
18 prevent class members from effectively vindicating their rights in certain categories of claims,
19 especially those involving practices applicable to all members of the class but as to which any
20 consumer has so little at stake that she cannot be expected to pursue her claim"); Leonard v.
21 Terminix Int'l Co., 854 So.2d 529, 539 (Ala. 2002) (by "foreclosing the Leonards from an
22 attempt to seek practical redress through a class action and restricting them to a
23 disproportionately expensive individual action," the defendants had essentially closed the door of
24 justice to these consumers); Szetela v. Discover Bank, 97 Cal.App. 4th 1094, 1001 (Cal. Ct. App.
25 2002) ("It is the *manner* of arbitration, specifically, prohibiting class or representative actions, we
26 take exception to here By imposing this clause on its customers, Discover has essentially
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1 granted itself a license to push the boundaries of good business practices to their fullest limits,
2 fully aware that relatively few, if any, customers will seek legal remedies[.]”); S.D.S. Autos. Inc.
3 v. Chrzanowski, 976 So.2d 600, 608 (Fl. Dist. Ct. App. 2007) (holding that a class action ban
4 “effectively prevents consumers with small, individual claims based upon motor vehicle dealers’
5 violations of [Florida’s Unfair or Deceptive Acts or Practices Statute], from vindicating their
6 statutory rights”); Whitney v. All-Tel Communications, 173 S.W.3d 300, 314 (Mo. Ct. App.
7 2005) (holding class action bans in consumer contracts unconscionable where exculpatory
8 because they “would effectively strip consumers of the protections afforded to them under the
9 [Missouri] Merchandising Practices Act and unfairly allow companies like Alltel to insulate
10 themselves from the consumer protection laws of this State”); Muhammad v. County Bank of
11 Rehobeth Beach, 912 A.2d 88, 91, 99 (N.J. 2006) (holding that “[T]he class-arbitration waiver in
12 this consumer contract is unenforceable” because of the fact that the plaintiff’s “individual
13 consumer fraud case involves a small amount of damages, rendering individual enforcement of
14 her rights, and the rights of her fellow consumers, difficult if not impossible.”); Fiser v. Dell
15 Computer Corp., 188 P.3d 1215, 1220 (N.M. 2008) (“In view of the fact that Plaintiff’s alleged
16 damages are just ten to twenty dollars, by attempting to prevent him from seeking class relief,
17 Defendant has essentially foreclosed the possibility that Plaintiff may obtain any relief On
18 these facts enforcing the class action ban would be tantamount to allowing Defendant to
19 unilaterally exempt itself from New Mexico consumer protection laws.”); Schwartz v. Alltel
20 Corp., 2006 WL2243649, at *4 (Ohio Ct. App. June 29, 2006) (“By eliminating a consumer’s
21 right to proceed through a class action, the arbitration clause directly hinders the consumer
22 protection purposes of the [Consumer Sales Practice Act].”); Vasquez-Lopez v. Beneficial
23 Oregon, Inc., 152 P.3d 940, 950 (Or. Ct. App. 2007) (holding that enforcement of the class action
24 ban would exculpate the lender from liability); Thibodeau v. Comcast Corp., 912 A.2d 874, 885
25 (Pa. Super. Ct. 2006) (“It is only the class action vehicle that makes consumer litigation possible
26 . . . Should the law require consumers to litigate or arbitrate individually, defendant corporations
27 are effectively immunized from redress of grievances.”); Scott v. Cingular Wireless L.L.C., 161
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1 P.3d 1000, 1003 (Wash. 2007) ("Class action and arbitration waivers are not, in the abstract,
2 exculpatory clauses. But because . . . damages in consumer cases are often small and because '[a]
3 company that wrongfully exacts a dollar from each of millions of customers will reap a
4 handsome profit,' . . . 'the class action is often the only effective way to halt and redress such
5 exploitation.'") (internal citations omitted); West Virginia ex rel. Dunlap v. Berger, 567 S.E.2d
6 265, 278-9 (W. Va.2002) (holding an arbitration clause that effectively barred class actions
7 unconscionable, stating that in the consumer and employment context, where contracts of
8 adhesion are common, allowing a class action ban to stand "would go a long way toward
9 allowing those who commit illegal activity to go unpunished, undeterred, and unaccountable").
10 These decisions represent a clear trend in the law, as there is an increasing sense on the part of
11 courts that corporate accountability to consumers in the marketplace is being eliminated by class
12 action prohibitions. Thus, the weight of authority establishes that, where class action bans are
13 exculpatory due to the small claims at issue in a case, the bans are substantively unconscionable.
14 Here we have empirical evidence that very few, if any, Class members are able to arbitrate with
15 Rapid Cash on an individual basis: none of potentially thousands have ever done so.

16 Moreover, several courts have found class action bans to be exculpatory for additional
17 reasons that apply to the facts of this case. The California Supreme Court found a class action
18 ban to be impermissibly exculpatory where the ban impedes the pursuit of statutory legal
19 remedies for those harmed by fraudulent activity. Gentry, 42 Cal.4th at 457 (holding that "such a
20 waiver can be exculpatory in practical terms because it can make it very difficult for those
21 injured by unlawful conduct to pursue a legal remedy"). The same principle similarly should
22 hold true if a class action ban impedes the pursuit of a judicial remedy, here for fraud on the
23 court. In addition, at least four state supreme courts have struck down class action bans in part
24 on the ground that the vast majority of consumers, absent the class action device, would not
25 realize that they have a claim. See Kinkel, 857 N.E.2d at 268 ("The typical consumer may feel
26 that such a charge is unfair, but only with the aid of an attorney will the consumer be aware that
27 he or she may have a claim that is supported by law...."); Muhammad, 912 A.2d at 100
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1 (“[W]ithout the availability of a class-action mechanism, many consumer fraud victims may
2 never realize that they may have been wronged.”); Scott, 161 P.3d at 1007 (“Without [class
3 actions], many consumers may not even realize that they have a claim. The class action provides
4 a mechanism to alert them to this fact.”) (internal citations omitted); cf. Gentry, 42 Cal.4th at 461
5 (“some individual employees may not sue because they are unaware that their legal rights have
6 been violated”). This is the quintessential case to invoke this principle where Rapid Cash has
7 thwarted the pursuit of legal remedies by denying class members their right to know they were
8 *even being sued*. Rapid Cash fraudulently manipulated the court to obtain default judgments
9 leaving hundreds of consumers in the putative Class unaware that their legal rights were violated.
10 It is obvious these consumers are unaware there is a remedy. A class action is the only practical
11 manner to stop Rapid Cash from benefitting from its fraud.

12 Even proponents of class action bans have admitted that their primary use is to exculpate
13 their drafters from liability. As one lawyer encouraging the use of class action bans wrote:

14 [T]he franchisor with an arbitration clause should be able to
15 require each franchisee in the potential class to pursue individual
16 claims in a separate arbitration. Since many (and perhaps most) of
17 the putative class members may never do that . . . strict
enforcement of an arbitration clause should enable the franchisor to
dramatically reduce its aggregate exposure.

18 Edward Wood Dunham, The Arbitration Clause as a Class Action Shield, 16 FRANCHISE L.J.
19 141, 141 (1997). Another lawyer has advocated the use of arbitration clauses as a “defense” for
20 banks because they act as a “deterrent” to class actions. Alan Kaplinsky, Excuse Me, But Who’s
21 the Predator: Banks Can Use Arbitration Clauses as a Defense, 7-JUN BUS. L. TODAY 24 (1998).

22 These premeditated “deterrents” to class actions are directly connected to a company like
23 Rapid Cash’s slide into dubious and illegal behavior because the company has effectively created
24 a wall against a Nevada consumer’s ability to seek assistance when wronged. The purposeful
25 creation of a class action ban encourages not just pushing the legal envelope, but with a company
26 like Rapid Cash, going beyond the legal and intentionally hindering the constitutional rights of
27 consumers in order to streamline collection practices.
28

1 Lastly, this Court must consider the policy implications of class action bans. "A company
2 which wrongfully exacts a dollar from each of millions of customers will reap a handsome profit;
3 the class action is often the only effective way to halt and redress such exploitation." Discover
4 Bank, 113 P.3d at 1105 (internal citations omitted). If this Court enforces Rapid Cash's class
5 action ban, it will not only encourage Rapid Cash's illegal behavior, but that of all other
6 corporations who wrongfully exact relatively small sums from thousands of Nevada's citizens.
7 Upholding this ban would also eliminate the deterrent effect of class actions, "violat[ing] public
8 policy by granting . . . a 'get out of jail free' card while compromising important consumer
9 rights." *Id.* at 1108 (quoting Szetela, *supra.*).

10 A class action ban that acts as an exculpatory clause is substantively unconscionable.
11 Because Rapid Cash's class action ban exculpates Rapid Cash from liability on a class-wide
12 scale, its class action ban is substantively unconscionable and cannot be enforced.

13 *c. Rapid Cash's Class Action Ban is Also Substantively*
14 *Unconscionable Because It Is One Sided.*

15 Rapid Cash's class action ban is unconscionable because in reality it is one sided. The
16 provision states that neither Rapid Cash nor the consumer has the right to participate in a class
17 action as a class representative or class member. It is highly doubtful that Rapid Cash would
18 ever sue its customers in a class action, but Rapid Cash's customers may, at times, have reason to
19 bring a class action against Rapid Cash. Thus, Rapid Cash is not giving up an equal right
20 because Rapid Cash's rights remain intact while the consumers are stripped of a remedy. This
21 class action ban lacks the bilaterality required in an arbitration clause.

22 The facts of this case illustrate the non-mutuality of this clause *in practice*, too. In every
23 case for every putative Class member, Rapid Cash chose to resort to the court. Rapid Cash hired
24 attorneys, filed litigation, hired the process server, filed multiple pleadings to obtain default
25 judgments, and often issued writs and garnished income. At every step, Rapid Cash failed to
26 choose arbitration. On the other hand, the putative Class members in this case, arguably
27 following Rapid Cash's lead, are looking to this Court for relief. At this moment, Rapid Cash
28

1 has decided that the arbitration provision, and particularly the class action ban, is now required.
2 Should this Court adopt Rapid Cash's approach, the as-applied effect will be to require only the
3 consumers to adhere to arbitration while Rapid Cash remains free to initiate court proceedings at
4 whim. Rapid Cash must not be permitted to use this provision as a sword and a shield, while
5 leaving its consumers defenseless.

6 **D. Plaintiffs' Claims Against Rapid Cash are Outside of the Scope of the Arbitration**
7 **Clause.**

8 The Rapid Cash arbitration clause/class action ban is worded in the most broad way
9 imaginable, requiring that the parties arbitrate any dispute that "arises from or relates in any way
10 to," the payday loan agreements. See, e.g., Deferred Deposit Agreement and Disclosure
11 Statement, page 3, ¶ 2, Exhibit A, among other loan agreements, attached to Affidavit of Richard
12 Duke Gee. Courts interpreting and applying such broadly worded arbitration clauses have held
13 that the dispute must bear a significant relationship to the contract, and at least one court has
14 refused to interpret any arbitration agreement as applying to outrageous torts that are
15 unforeseeable to a reasonable consumer in the context of normal business dealings. As the
16 instant dispute has no real relationship to the payday loan contracts that contain the arbitration
17 clauses that Rapid Cash has long ignored, arbitration should not be compelled.

18 ***1. The Dispute Does Not Have a Significant Relationship to the Contract.***

19 The Court in Jones v. Halliburton Co., 583 F.3d 228, 240 (5th Cir. 2009), noted the principle
20 that "[w]hen deciding whether a claim falls within the scope of an arbitration agreement, courts
21 'focus on factual allegations in the complaint rather than the legal causes of action asserted.'" (quoting Waste Mgmt., Inc. v. Residuos Industriales Multiquim, S.A. de C.V., 372 F.3d 339, 344
22 (5th Cir. 2004)). Jones v. Halliburton Co. demonstrates the inapplicability of contractual arbitration
23 clauses to certain tort claims. Jones involved an alleged rape of an employee by her coworkers in
24 Iraq that was covered by worker's compensation, but nonetheless held beyond the scope of an
25 arbitration clause in her employment contract, which provided: "You understand that the Dispute
26 Resolution Program requires, as its last step, that *any and all claims* that you might have against
27
28

1 Employer *related to your employment* . . . must be submitted to binding arbitration instead of to the
2 court system.” 583 F.3d at 235 (emphasis original). Discussing broad arbitration clauses and Fifth
3 Circuit and United States Supreme Court precedent, the Jones court noted:

4 Of course, although this [expansive reach, governing disputes of
5 anything “related to” the contract] reach is broad, it is not
6 unbounded. *Pennzoil* recognized that a dispute need only “‘touch”
7 matters covered by” the arbitration agreement to be arbitrable,
8 (citations omitted); in the same discussion, however, it defined an
9 arbitrable dispute under a broad clause as one “having a significant
relationship to the contract,”—here, Jones’ employment
contract—“regardless of the label attached to the
dispute”—(citation omitted). It further noted: “[E]ven broad
clauses have their limits.”

10 Id. At 235 (citation omitted). Thus, even the most broadly worded arbitration clauses, which are
11 construed such that a dispute need only “touch” matters covered by the arbitration agreement, are
12 not unbounded: **the arbitrable dispute must bear a significant relationship to the contract.**

13 The dispute in this case is not an arbitrable dispute because it has nothing whatsoever to
14 do with the payday loan contract, let alone a significant relationship to the contract. The essence
15 of this case is the commission of a fraud upon the court through the filing of falsified affidavits
16 of service of process. This claim stands without reference to and independent of the payday loan
17 contract. Hill v. Hilliard, 945 S.W.2d 948 (Ky.App. 1996), relied upon in Jones, illustrates this
18 point. Rejecting the argument that a broad clause requiring arbitration of any controversy
19 “arising out of employment” compelled arbitration of a claim arising from sexual assault by a
20 coworker, the Hill court held, “The only connection those torts and crimes have with [plaintiff]’s
21 employment is that they were committed by a co-worker and occurred while on a business trip.
22 The mere fact that these tort claims might not have arisen but for the fact that the two individuals
23 were together as a result of an employer-sponsored trip cannot be determinative. What [the
24 supervisor] is accused of doing is independent of the employment relationship.” Jones, 583 F.3d
25 at 236 (internal citations omitted). The Jones Court further noted that Jones’s claim that
26 Halliburton was vicariously liable for the assault strengthened its conclusion that the case was
27 beyond the scope of the arbitration clause, Id. at 237.

1 The Plaintiffs' claims in this case – based on the tortious conduct of Rapid Cash and its
2 agent, On Scene, in abusing the justice court system and Plaintiffs' due process rights – similarly
3 bear an insufficient relationship to the payday loan contracts in which the subject arbitration
4 clauses are found. Parties cannot reasonably be held to have intended to contract to arbitration of
5 events with no significant relationship to the contract in making a payday loan agreement of a
6 few hundred dollars. In denying Defendant's Motion to Compel Arbitration for lack of relation
7 between putative class Plaintiffs' claims and the underlying loan agreements, this Court would be
8 in good company. See, e.g., Hyde v. RDA, Inc., 389 F. Supp. 2d 658, 664 (D. Md., 2005)
9 (finding that Fair Credit Reporting Act (FCRA) claim did not bear any significant relationship to
10 the automobile contract and that the transaction giving rise to the FCRA claim was separate and
11 independent from the transaction involving the arbitration agreement); see also Ford v. NYLCare
12 Health Plans of Gulf Coast, Inc., 141 F.3d 243, 251 (5th Cir., 1998) (holding that a doctor's false
13 advertising claim against health maintenance organization (HMO) was not related to contract
14 between doctor and HMO covering the performance of medical services; Coors Brewing Co. v.
15 Molson Breweries, 51 F.3d 1511, 1516 (10th Cir., 1995) (finding that antitrust claim based on
16 market behavior was not related to parties' licensing agreement); Parfi Holding, AB v. Mirror
17 Image Internet, Inc., 817 A.2d 149, 151 (Del. 2002) (finding breach of fiduciary duty claim
18 unrelated to contract containing arbitration clause).

19 2. *This Court Should Refuse to Apply a Contractual Arbitration Clause to*
20 *Unforeseeable Torts.*

21 A court is within its discretion to refuse to interpret any arbitration agreement as applying
22 to outrageous torts that are unforeseeable to a reasonable consumer in the context of normal
23 business dealings. Aiken v. World Fin. Corp., 373 S.C. 144, 151, 644 S.E.2d 705, 709 (2007),
24 reh. den., 2007 S.C. LEXIS 234 (S.C. May 23, 2007); cert. den. sub nom. World Fin. Corp. v.
25 Aiken, 552 U.S. 991, 128 S.Ct. 497, 169 L.Ed.2d 340 (2007). Aiken took out a series of loans
26 from World Finance in 1997-1999, paying off the last loan in 2000. In the course of that
27 relationship, he provided personal information. Sometime around 2002, certain employees of
28 World Finance stole his personal information and obtained sham loans. Aiken sued World

1 Finance alleging various identity theft legal theories. World Finance moved to compel
2 arbitration, under a clause in the loan agreements Aiken had signed, that broadly provided:

3 . . . ALL DISPUTES, CONTROVERSIES OR CLAIMS OF ANY
4 KIND AND NATURE BETWEEN LENDER AND BORROWER
5 ARISING OUT OF OR IN CONNECTION WITH THE LOAN
6 AGREEMENT, OR ARISING OUT OF ANY TRANSACTION
7 OR RELATIONSHIP BETWEEN LENDER AND
8 BORROWER OR ARISING OUT OF ANY PRIOR OR
9 FUTURE DEALINGS BETWEEN LENDER AND
10 BORROWER, SHALL BE SUBMITTED TO ARBITRATION
AND SETTLED BY ARBITRATION IN ACCORDANCE WITH
THE UNITED STATES ARBITRATION ACT, THE
EXPEDITED PROCEDURES OF THE COMMERCIAL
ARBITRATION RULES OF THE AMERICAN ARBITRATION
ASSOCIATION (THE "ARBITRATION RULES OF THE
AAA"), AND THIS AGREEMENT.

11 Id., 644 S.E.2d at 707 (emphasis added). The Court denied World Finance's motion to compel
12 arbitration. The Court first noted that cases holding that even in broadly-worded arbitration
13 agreements, the matter must still involve a "significant relationship" between the asserted claims
14 and the contract in which the arbitration clause is contained. Id. at 708. The Court then rejected
15 World Finance's argument that because Aiken's contracts with World Finance gave its
16 employees access to Aiken's information in order to carry out their crimes, there was a
17 significant relationship between Aiken's claims and the underlying loan agreement, thereby
18 warranting arbitration:

19 We find this argument unpersuasive. In our opinion, the
20 "relationship" asserted by World Finance between Aiken's tort
21 claims and the parties' prior dealings under the loan agreements
22 hardly rises to the level of "significant." Applying what amounts to
23 a "but-for" causation standard essentially includes every dispute
24 imaginable between the parties, which greatly oversimplifies the
25 parties' agreement to arbitrate claims between them. Such a result
is illogical and unconscionable. "[T]he mere fact that the dispute
would not have arisen but for the existence of the contract and
consequent relationship between the parties is insufficient by itself
to transform a dispute into one 'arising out of or relating to' the
agreement.").

26 Id., 644 S.E.2d at 708 (internal citations omitted). And although Aiken had paid his loans in full
27 when the employees' tortious acts occurred, the Court did not consider the timing of the
28 employees' tortious conduct relevant to the arbitrability of Aiken's claim, saying:

1 Instead, we pronounce a more definitive rule for determining
2 whether a significant relationship exists between a dispute between
3 parties to a contract and the underlying contract, thereby
4 implicating an arbitration agreement in the contract. Because even
5 the most broadly-worded arbitration agreements still have limits
6 founded in general principles of contract law, this Court will refuse
7 to interpret any arbitration agreement as applying to outrageous
8 torts that are unforeseeable to a reasonable consumer in the context
9 of normal business dealings.

10 Id.

11 Plaintiffs' claims against Rapid Cash concern egregious tortious conduct that could not
12 possibly have been foreseen by the putative Class members at the time they entered into the
13 payday loan agreements containing the arbitration clause. Consequently, in signing the
14 agreement to arbitrate, no member of the putative Class was agreeing to provide an alternative
15 forum for settling claims arising from this wholly unexpected tortious conduct. Accordingly,
16 this Court should follow Aiken and similarly refuse to compel arbitration.

17 **E. The Arbitration Clause As Applied In This Case Is Void As Against Public Policy.**

18 It is well settled that a Court will not enforce a contract provision in violation of public
19 policy. State Farm Mut. Auto. Ins. Co. v. Hinkle, 87 Nev. 478, 488 P.2d 1151 (1971) (lack of
20 uninsured motorist protection in auto insurance contract against public policy and void). The
21 Rapid Cash arbitration clause as applied to the facts of this case is void as against the public
22 policy of the courts to control their own dockets and to prevent abuses of the judicial process.

23 By way of analogy, courts refuse to enforce "no waiver" provisions in arbitration clauses
24 because a court's authority to determine that a party has waived its right to arbitration through
25 litigation conduct derives from its inherent authority to control its docket, which cannot be
26 limited by a contract between parties to litigation. Republic Ins. Co. v. PAICO Receivables
27 LLC, 383 F.3d 341, 348 (5th Cir. 2004) ("The inclusion of a 'no-waiver' clause does not
28 eliminate the district court's inherent power to control its docket."). Moreover, enforcing such
provisions would sanction an abuse of the judicial process. Id.; S & R Co. of Kingston v. Latona
Trucking, Inc., 159 F.3d 80, 85-86 (2nd Cir. 1998); Home Gas Corp. v. Walter's of Hadley, Inc.,
532 N.E.2d 681, 684-85 (Mass. 1989).

1 Once Rapid Cash filed one case, and indeed thousands of cases, it submitted itself to the
 2 jurisdiction of the courts. If indeed Rapid Cash engaged in the litigation conduct of which it is
 3 accused herein, then it simply cannot be permitted to tell the Court it is helpless to correct such
 4 an abuse of the judicial process due to the presence of a contractual arbitration clause. The Court
 5 always retains its inherent power to control its own docket, and parties before the Court simply
 6 cannot contract it away. Rapid Cash's arbitration provision must be held unenforceable in this
 7 case in violation of public policy.

8 **F. Enforcement of Rapid Cash's Arbitration Clauses Would Violate the Public Interest**
 9 **Purpose of this Lawsuit.**

10 Turning to another analogy, Courts have refused to enforce arbitration clauses in cases
 11 brought in the public interest. Broughton v. Cigna Health Plans, 988 P.2d 67 (Cal. Ct. App.
 12 1999) (motion to compel arbitration denied where plaintiffs sought a public interest injunction to
 13 restrain future deceptive advertising practices); see also Cruz v. PacificCare Health Sys., Inc., 66
 14 P.3d 1157, 1164-65 (Cal. 2003) (extending Broughton to claims for public injunctive relief under
 15 California's unfair competition law); Zavala v. Scott Brothers Dairy, Inc., 143 Cal. App. 4th 585,
 16 596, 49 Cal. Rptr. 3d 503, 510 (2006) ("Certainly, plaintiffs' injunctive relief claim under the
 17 unfair business practices act (Bus. & Prof. Code, § 17200) is not arbitrable.").

18 While Plaintiffs do seek relief for themselves and those similarly situated and not solely
 19 in the interest of the public, there can be no doubt that this case presents a significant public
 20 interest component. If indeed Rapid Cash engaged in the litigation conduct of which it is
 21 accused herein, then it has undermined the integrity of the judicial system. It is in the public
 22 interest that the judicial system hear this matter in a public proceeding, rather than sweep it under
 23 the rug in four private, individual arbitrations. Rapid Cash's arbitration provision must be held
 24 unenforceable in this case brought in the public interest.

25 ..

26 ...

27 ...

IV.

CONCLUSION

Rapid Cash's years of utilizing Clark County's justice courts as its personal collection agency through nearly 17,000 cases has dispossessed this well-seasoned litigant of any right to now compel arbitration of this consumer-protection class action. Even if this payday lender had not blatantly waived its right to enforce its arbitration clause, that clause would still be unenforceable because its class action ban is unconscionable, the claims in this case fall outside the reasonable scope of the arbitration clause, and the provision is unenforceable on public policy and public interest grounds. Defendants' Motion to Compel Arbitration and Stay All Proceedings must be denied, and this Court should promptly proceed to the Class Certification motion.

DATED this 7th day of October, 2010.

**LEGAL AID CENTER OF
SOUTHERN NEVADA, INC.**

By: /s/ Dan L. Wulz
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Las Vegas, Nevada 89169
Attorneys for Class Representatives and
Putative Class Counsel

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 7th day of October, 2010, I placed a true and correct copy of the foregoing **OPPOSITION TO MOTION TO COMPEL ARBITRATION AND STAY ALL PROCEEDINGS** via facsimile and in the United States Mail, postage fully pre-paid thereon addressed as follows:

William M. Noall, Esq.
GORDON SILVER
3960 H. Hughes Pkwy., 9th Floor
Las Vegas, NV 89169
Fax: (702) 369-2666

/s/ Rosie Najera
An employee of Clark County Legal Services Program, Inc.

EXHIBIT B

Deferred Deposit Agreement & Disclosure Statement

Customer: CASANDRA HARRISON
913 N JONES BV APT # 203
LAS VEGAS, NV 89108

Lender: Advance Group Inc. dba Rapid Cash
1532 N. Jones Blvd
Las Vegas, NV 89108
(702)631-2274

Check Number: 1386 Check Amount: \$684.71 Agreement Date 03/05/09 Due Date (Date of Check): 03/20/09

ITEMIZATION OF AMOUNT FINANCED OF	<u>\$582.00</u>
New Applicant Fee	<u>\$0.00</u>
Amount Paid Directly To You	<u>\$582.00</u>
Amount Paid On Your Account	<u>\$0.00</u>

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. <u>429.43%</u>	FINANCE CHARGE The dollar amount the credit will cost you. <u>\$102.71</u>	Amount Financed The amount of credit provided to you or on your behalf. <u>\$582.00</u>	Total of Payments The amount you will have paid after you have made all payments as scheduled. <u>\$684.71</u>
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Payment Schedule: One payment in the amount of \$684.71, due on 03/20/09
 (Month) (Day) (Year)

Prepayment: If you pay off early, you will not be entitled to a refund of any part of the finance charge. See the information below about nonpayment and default.

No Security Interest. No security interest is given or taken in connection with this transaction except other than any security in your Check that may arise by operation of law.

AGREEMENT

This Agreement contains important terms and conditions affecting your loan. Read it carefully before you sign it.

Definitions. Certain words used in this Agreement have special meanings. The word "Agreement" means this Deferred Deposit Agreement & Disclosure Statement. The words "you" and "your" means the person signing this Agreement. The words "we," "us" and "our" mean Advance Group, Inc., Principal Investments, Inc. or FMMR Investments, Inc. each doing business as Rapid Cash. The word "loan" means the deferred deposit transaction governed by this Agreement. The words "due date" mean the due date shown above and in the Payment Schedule shown in the box above. The boxed-in disclosures above are part of the terms and conditions of your Agreement with us.

Promise to Pay. You promise to pay us the "Total of Payments" in the box above, which includes a Finance Charge, on the due date.

Deferred Deposit. You are giving us your personal check, identified above by check number. We will not deposit your check until the due date. You promise that on the due date, you will have enough money available in your account to repay your loan. You promise that you will not close your account or place a stop payment on the check.

Our Fee. Our single charge fee for making the loan appears in the box above and is expressed as a dollar amount (Finance Charge) and an Annual Percentage Rate. The Annual Percentage Rate above is based upon that fee being an add-on finance charge, which is fully earned by us as of the date of this Agreement.

No Collateral. We are not allowed to accept any collateral except other than any security interest in your Check that may arise by operation of law.

Extensions. At any time prior to the due date, you may request an extension of this loan. We may grant or deny your request in our sole discretion. If we grant your request, you will be required to pay the Finance Charge shown above and sign a new Deferred Deposit Agreement. You will be required to pay your loan in full, including an additional Finance Charge, on the new due date. The terms of the extension, including the additional finance charge, will be described in the new Deferred Deposit Agreement. You agree to provide us a new check for the balance due on the new due date. The due date for any extension cannot be later than 60 days from the date the original loan was due.

Option to Rescind. You may cancel this loan without paying the Finance Charge. To do so, you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash. If we receive your payment on time, we will return your check and cancel your loan.

Prepayment. You may prepay your Loan in full or in part with no additional charge. If you pay off early, you will not be entitled to a refund of any part of the finance charge. The finance charge constitutes a single charge for making the loan. Any partial payments you make will be applied first to fees and costs, then to finance charges, then to principal.

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Electronic Check Deposit. The check that you have given to us for payment of your obligation under this Agreement may be presented to your bank as an Electronic Funds Transfer ("EFT") through the Automated Clearing House (ACH) network. We may initiate a debit entry to your checking account in order to receive payment. We may do so where the check is lost, misplaced or destroyed or it is more practical to conduct an EFT rather than deposit your check. In other circumstances, we may process your payment and deposit your check. In cases where we utilize an EFT for payment, funds may be withdrawn from your account quickly sometimes the same date as your loan is due and you will not receive your check back from your financial institution. By signing this Agreement, you authorize us to electronically deposit and collect on your check in the amount of the Total of Payments shown in this Agreement. Your authorization to EFT your account will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice.

Nonpayment and Default. You will be in default if the Total of Payments is not paid in full by the due date. If you default on your obligations, in addition to the amounts you owe us, we may charge you interest for 90 days from the date of your default at the rate equal to the prime rate of the largest bank in the State of Nevada (as ascertained by the Nevada Commissioner of Financial Institutions), plus ten percent. If your payment either by check or EFT is not paid upon presentment because of NSF or Account Closed you will be charged a return check charge of \$25.00. If you default on this loan you have the opportunity within 30 days of the default to enter into a repayment plan with a term of at least 90 days. We will offer the repayment plan to you before we commence any civil action or process of alternative dispute resolution.

Authorizations to Collect Debt Upon Default. You authorize us to withdraw from your bank account the amount you owe us according to this or any former Agreement. We may make this withdrawal by re-presenting your check electronically, and/or by using one or more, in varied amounts paper or EFT debits not to exceed the amount owed to us. Your EFT debit authorization extends to the bank account listed on your original check or any other bank account maintained by you wherever located. If you provide us with a Visa or MasterCard check, debit or credit card (collectively the "Card") you also authorized us, denoted by your signature on this Agreement to charge, submit and collect all amounts due to us. We may submit these charges to your Card one or more times until the total amount owed to us is paid in full. Your authorization to ACH and to charge your Card will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice. We may not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize the above collection of the Total of Payments by electronic means from your bank account and Card. You may withdraw such voluntary consent by writing to us at our business address set forth above.

Offset. You agree that by law and this Agreement we or our agents may offset (deduct) any sums owed to us from any checks presented to us now or in the future for cashing. The amount owed to us includes any legitimate reason including, but not limited to, returned checks, return check charges, defaulted loans or additional collection costs that you have incurred with us or one of our affiliates.

Credit Reporting. You agree that we may make inquiries concerning your credit history and standing, and we may report information concerning your performance under this Agreement to credit reporting agencies.

Telephone Calls - Monitoring: You agree that if you are past due or in default, you will accept calls from us or a third party we have contracted with regarding the collection of your Account. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for purposes of state and federal law. If you provide us with a wireless or cellular telephone number, you agree that we may place calls to that number which may result in charges from your wireless or cellular carrier. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer service.

Agreements for Resolving Disputes: You agree to the Agreements for Resolving Disputes in this Agreement. Except as otherwise provided in the Agreements for Resolving Disputes, this Agreement will be governed by the laws of the State of Nevada. If any part of this Agreement is found to be unenforceable, that part will be deemed severed from the Agreement, and the remaining provisions will be enforced to the fullest extent allowed by law.

Agreements for Resolving Disputes

PRE-DISPUTE RESOLUTION PROCEDURE

In the event that you or we have a claim that arises from or relates to any check cashing, credit, loan or other services you request or we provide ("Services"), before commencing, joining or participating in any judicial or arbitration proceeding, as either an individual litigant or member of a class ("Proceeding"), the complaining party shall give the other party or any "related party": (1) at least 15 days' written notice of the claim ("Claim Notice"), explaining in reasonable detail the nature of the claim and any supporting facts; and (2) a reasonable good faith opportunity to resolve the claim without the necessity of a Proceeding. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); and our and their employees, directors, officers, shareholders, governors, managers and members. Any Claim Notice to us shall be sent in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205 (or such other address as we shall subsequently provide to you) or to you at your address appearing in our records or, if you are represented by an attorney, to your attorney at his or her office address. Nothing in this paragraph is intended to affect or modify in any fashion any separate Arbitration Provision between you and us.

ARBITRATION PROVISION

VERY IMPORTANT. READ THIS ARBITRATION PROVISION CAREFULLY. IT SETS FORTH WHEN AND HOW CLAIMS (AS DEFINED IN SECTION 2 BELOW) WHICH YOU OR WE HAVE AGAINST ONE ANOTHER WILL BE ARBITRATED INSTEAD OF LITIGATED IN COURT. IF YOU DON'T REJECT THIS ARBITRATION PROVISION IN ACCORDANCE WITH SECTION 1 BELOW, UNLESS PROHIBITED BY APPLICABLE LAW, IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY IN WHICH YOU OR WE RESOLVE ANY CLAIM WHICH YOU OR WE HAVE AGAINST EACH OTHER NOW OR IN THE FUTURE.

Unless prohibited by applicable law and unless you reject the Arbitration Provision in accordance with Section 1 below, you and we agree that either party may elect to require arbitration of any Claim under the following terms and conditions:

1. RIGHT TO REJECT ARBITRATION. If you do not want this Arbitration Provision to apply, you may reject it within 30 days after the date of your application ("Application") for check cashing, credit, loan or other services from us ("Services") [by delivering to us at any of our offices or] by mailing to us in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205, a written rejection notice which provides your name, address, the date of the Application, the address of the store where you submitted the Application and states that you are rejecting the related Arbitration Provision. If you want proof of the date of such a notice, you should send the notice by "certified mail, return receipt requested." If you use such a method, we will reimburse you for the postage upon your request. Nobody else can reject arbitration for you; this is the only way you can reject arbitration. Your rejection of arbitration will not affect your right to Services or the terms of Services. If you reject this Arbitration Provision, it shall have the effect of rejecting any prior arbitration provision or agreement between you and us that you did not have the right to reject; it will not affect any prior arbitration provision or agreement which you had a right to reject that you did not exercise.

2. DEFINITION OF "CLAIM". The term "Claim" means any claim, dispute or controversy between you and us (including "related parties" identified below) that arises from or relates in any way to Services you request or we provide, now, in the past or in the future; the Application (or any prior or future application); any agreement relating to Services ("Services Agreement"); any of our marketing, advertising, solicitations and conduct relating to your request for Services; our collection of any amounts you owe; our disclosure of or failure to protect any information about you; or the validity, enforceability or scope of this Arbitration Provision. "Claim" is to be given the broadest possible meaning and includes claims of every kind and nature, including but not limited to, initial claims, counterclaims, cross-claims and third-party claims, and claims based on any constitution, statute, regulation, ordinance, common law rule (including rules relating to contracts, negligence, fraud or other intentional wrongs) and equity. It includes disputes that seek relief of any type, including damages and/or injunctive, declaratory or other equitable relief. Notwithstanding the foregoing, "Claim" does not include any individual action brought by you in small claims court or your state's equivalent court, unless such action is transferred, removed, or appealed to a different court, or any assertion that Section 5(C), (D) and/or (E) below is invalid or unenforceable; any such actions and assertions of this kind will be resolved by a court and not an arbitrator. "Claim" also does not include any "self-help remedy" (that is, any steps taken to enforce rights without a determination by a court or arbitrator, for example, repossession and/or re-titling of a motor vehicle) or any individual action by you or us to prevent the other party from using any self-help remedy, so long as such self-help remedy or individual judicial action does not involve a request for monetary relief of any kind. Even if all parties have elected to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or any new Claim asserted in that lawsuit, and nothing in that litigation shall constitute a waiver of any rights under this Arbitration Provision. This Arbitration Provision will apply to all Claims, even if the facts and circumstances giving rise to the Claims existed before the effective date of this Arbitration Provision. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); our and their employees, directors, officers, shareholders, governors, managers and members; and any third parties who are parties in a legal proceeding involving you and us.

3. STARTING AN ARBITRATION. Before starting an arbitration (or a judicial proceeding), you or we must comply with any other agreement between you and us providing a right to notice of a claim and/or a right to attempt to resolve the claim without litigation or arbitration. To start an arbitration, you or we must give written notice of an election to arbitrate. This notice may be given after a lawsuit has been filed and may be given in papers or motions in the lawsuit. If such a notice is given, unless prohibited by applicable law, the Claim shall be resolved by arbitration under this Arbitration Provision and the applicable rules of the arbitration administrator then in effect. You must select the administrator when you give us notice that you want to arbitrate a claim or within 20 days after we give you such a notice. If you don't make a selection, we will. The administrator must be either the National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405, www.arb-forum.com, (800) 474-2371; or the American Arbitration Association, 1633 Broadway, 10th Floor, New York NY 10019, www.adr.org, (800) 778-7879. The arbitrator will be selected under the administrator's rules, except that the arbitrator must be a lawyer with at least ten years of experience or a retired judge unless the parties agree otherwise.

4. LOCATION AND COSTS. The arbitrator may decide that an in-person hearing is unnecessary and that he or she can resolve the Claim based on the papers submitted by the parties and/or through a telephone hearing. However, any arbitration hearing that you attend will take place in a location that is reasonably convenient for you. We will consider any good faith request you make for us to pay the administrator's or arbitrator's filing, administrative, hearing and/or other fees if you cannot obtain a waiver of such fees from the administrator and we will not seek or accept reimbursement of any such fees. We will also pay any fees or expenses we are required by law to pay or that we must pay in order for this Arbitration Provision to be enforced. Each party must normally pay for its own attorneys, experts and witnesses. However, we will pay all such reasonable fees and costs you incur if you are the prevailing party and/or where required by applicable law and/or the administrator's rules. The arbitrator shall not limit the attorneys' fees and costs to which you are entitled because your Claim is for a small amount. Also, to the extent permitted by applicable law and provided in any Services

Agreement, you will pay any reasonable attorneys' fees, collection costs and arbitration fees and costs we incur if we prevail in an arbitration in which we seek to recover any amount owed by you to us under the Services Agreement.

5. NO CLASS ACTIONS OR SIMILAR PROCEEDINGS; SPECIAL FEATURES OF ARBITRATION. IF YOU OR WE ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO: (A) HAVE A COURT OR A JURY DECIDE THE CLAIM; (B) OBTAIN INFORMATION PRIOR TO THE HEARING TO THE SAME EXTENT THAT YOU OR WE COULD IN COURT; (C) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR CLASS OPPONENT; (D) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (E) JOIN OR CONSOLIDATE CLAIM(S) INVOLVING YOU WITH CLAIMS INVOLVING ANY OTHER PERSON. THE RIGHT TO APPEAL IS MORE LIMITED IN ARBITRATION THAN IN COURT. OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

6. GETTING INFORMATION. In addition to the parties' rights under the administrator's rules to obtain information prior to the hearing, either party may ask the arbitrator for more information from the other party. The arbitrator will decide the issue in his or her sole discretion, after allowing the other party the opportunity to object.

7. EFFECT OF ARBITRATION AWARD. Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's award will be final and binding, except for: (1) any appeal right under the Federal Arbitration Act, 9 U.S.C. §1, *et seq.* (the "FAA"); and (2) Claims involving more than \$50,000. For Claims involving more than \$50,000, any party may appeal the award to a three-arbitrator panel appointed by the administrator, which will reconsider *de novo* any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. Unless applicable law provides otherwise, the appealing party will pay the appeal's costs, regardless of its outcome. However, we will consider any good faith request for us to bear the cost and will pay any amount that we must pay under applicable law or the administrator's rules and any amount that we must pay in order for this Arbitration Provision to be enforced.

8. GOVERNING LAW. This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA, and not Federal or state rules of civil procedure or evidence or any state laws that pertain specifically to arbitration, provided that the law of Kansas, where we are headquartered, shall be applicable to the extent that any state law is relevant in determining the enforceability of this Arbitration Provision under Section 2 of the FAA. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and applicable privilege rules, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. In addition, if you prevail in an individual (non-class) arbitration against us in which you are seeking monetary relief from us, we agree that the arbitrator shall award as the minimum amount of your damages (excluding arbitration fees and attorneys' fees and costs, if any) an amount that is \$100 greater than the jurisdictional limit of the small claims court (or your state's equivalent court) in the county in which you reside. For example, if such a court can decide claims up to \$5,000, then if you prevail in an individual arbitration, you will receive a minimum of \$5,100 even if the amount you would otherwise be entitled to receive is less than that amount. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator will follow rules of procedure and evidence consistent with the FAA, this Arbitration Provision and the administrator's rules.

9. SURVIVAL, SEVERABILITY, PRIMACY. This Arbitration Provision shall survive the full payment of any amounts due under any Services Agreement; any proper rescission or cancellation of any Services Agreements; any exercise of a self-help remedy; our sale or transfer of any Services Agreement or our rights under any Services Agreement; any legal proceeding by us to collect a debt owed by you; and your (or our) bankruptcy. If any part of this Arbitration Provision cannot be enforced, the rest of this Arbitration Provision will continue to apply; provided, however, that if Section 5(C), (D) and/or (E) is declared invalid in a proceeding between you and us, without in any way impairing the right to appeal such decision, this entire Arbitration Provision (other than this sentence) shall be null and void in such proceeding. In the event of any conflict or inconsistency between this Arbitration Provision and the administrator's rules or the rest of any Services Agreement, this Arbitration Provision will govern. If you and we are a party to any other arbitration or dispute resolution agreement in connection with prior Services, this Arbitration Provision will supersede such prior arbitration agreement.

10. BREACH OF ARBITRATION AGREEMENT. If either party fails to submit to arbitration following a proper demand to do so and a court later orders arbitration, to the extent permitted by law that party shall bear all costs and expenses including reasonable attorneys' fees, incurred by the other party in seeking to compel arbitration.

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JURY TRIAL WAIVER

YOU AND WE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, YOU AND WE, AFTER HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT. THIS JURY TRIAL WAIVER SHALL NOT AFFECT OR BE INTERPRETED AS MODIFYING IN ANY FASHION ANY SEPARATE ARBITRATION PROVISION BETWEEN YOU AND US, WHICH CONTAINS ITS OWN SEPARATE JURY TRIAL WAIVER.

Privacy Policy

We respect the privacy of our customers and are committed to treating customer information responsibly. Our complete privacy policy statement is available on our website www.speedycash.com or ask for a copy from any Customer Advocate in our loan offices. You acknowledge that you have received a copy of our Privacy Policy on this date or within the past twelve months. You may contact our loan offices and request that a current copy of our Privacy Policy be mailed to you.

Important Notices**BY SIGNING THIS AGREEMENT OR APPLYING FOR A LOAN:**

- YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ENTITLED TO HAVE A COURT, OTHER THAN A SMALL CLAIMS COURT OR JUSTICE COURT, RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ABLE TO BRING, JOIN OR PARTICIPATE IN ANY CLASS ACTION LAWSUIT AGAINST US.

By signing below, you acknowledge and affirm that: (1) you have received and read a copy of this Agreement, (2) you agree to the above terms and to the Agreements for Resolving Disputes, (3) there are no blank spaces appearing on this Agreement and (4) you represent that the "Amount Financed" as shown above, together with any other outstanding loans you have with us, does not exceed twenty-five percent of your expected monthly gross income.

Cassandra Herrister 3/5/2009
Customer Signature(s) Date

[Signature] 3/5/2009
By Rapid Cash Representative Date

HARRISON, CASANDRA
3/5/2009 1:03:44 PM

TELLER KPM

Item	Qty	Amount	Fee	Total
NEW LOAN:				
Loan # 7301215				
Principle			\$582.00	
Fee			\$102.71	
Amount Due			\$684.71	
Due Date 03/20/2009				

NEW LOAN:
Loan # 7301215
Principle
Fee
Amount Due
Due Date 03/20/2009



Total Checks and Services (\$582.00)
Tax \$0.00
Cash Paid To Customer \$582.00

REFER A FRIEND AND RECEIVE \$10
OPEN M-F 8AM-10PM; SAT 8AM-6PM; SUN 10AM-6PM

ALL CHECKS WILL GO TO DEPOSIT AT 2PM
Receipt # 19590063

Rapid Cash 15
1532 N. Jones Blvd
Las Vegas, NV 89108
(702) 631-2274

EXHIBIT C

Deferred Deposit Agreement & Disclosure Statement

Customer: CASANDRA HARRISON
913 N JONES BV APT # 203
LAS VEGAS, NV 89108

Lender: Advance Group Inc. dba Rapid Cash
1532 N. Jones Blvd
Las Vegas, NV 89108
(702)631-2274

Check Number: 1356 Check Amount: \$470.59 Agreement Date 03/19/09 Due Date (Date of Check): 04/04/09

ITEMIZATION OF AMOUNT FINANCED OF	\$400.00
New Applicant Fee.....	\$0.00
Amount Paid Directly To You	\$0.00
Amount Paid On Your Account.....	\$400.00

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. <u>402.58%</u>	FINANCE CHARGE The dollar amount the credit will cost you. <u>\$70.59</u>	Amount Financed The amount of credit provided to you or on your behalf. <u>\$400.00</u>	Total of Payments The amount you will have paid after you have made all payments as scheduled. <u>\$470.59</u>
Payment Schedule: One payment in the amount of <u>\$470.59</u> , due on <u>04/04/09</u> <div style="text-align: right;">(Month) (Day) (Year)</div>			
Prepayment: If you pay off early, you will not be entitled to a refund of any part of the finance charge. See the information below about nonpayment and default.			
No Security Interest. No security interest is given or taken in connection with this transaction except other than any security in your Check that may arise by operation of law.			

AGREEMENT

This Agreement contains important terms and conditions affecting your loan. Read it carefully before you sign it.

Definitions. Certain words used in this Agreement have special meanings. The word "Agreement" means this Deferred Deposit Agreement & Disclosure Statement. The words "you" and "your" means the person signing this Agreement. The words "we," "us" and "our" mean Advance Group, Inc., Principal Investments, Inc. or FMIR Investments, Inc. each doing business as Rapid Cash. The word "loan" means the deferred deposit transaction governed by this Agreement. The words "due date" mean the due date shown above and in the Payment Schedule shown in the box above. The boxed-in disclosures above are part of the terms and conditions of your Agreement with us.

Promise to Pay. You promise to pay us the "Total of Payments" in the box above, which includes a Finance Charge, on the due date.

Deferred Deposit. You are giving us your personal check, identified above by check number. We will not deposit your check until the due date. You promise that on the due date, you will have enough money available in your account to repay your loan. You promise that you will not close your account or place a stop payment on the check.

Our Fee. Our single charge fee for making the loan appears in the box above and is expressed as a dollar amount (Finance Charge) and an Annual Percentage Rate. The Annual Percentage Rate above is based upon that fee being an add-on finance charge, which is fully earned by us as of the date of this Agreement.

No Collateral. We are not allowed to accept any collateral except other than any security interest in your Check that may arise by operation of law.

Extensions. At any time prior to the due date, you may request an extension of this loan. We may grant or deny your request in our sole discretion. If we grant your request, you will be required to pay the Finance Charge shown above and sign a new Deferred Deposit Agreement. You will be required to pay your loan in full, including an additional Finance Charge, on the new due date. The terms of the extension, including the additional finance charge, will be described in the new Deferred Deposit Agreement. You agree to provide us a new check for the balance due on the new due date. The due date for any extension cannot be later than 60 days from the date the original loan was due.

Option to Rescind. You may cancel this loan without paying the Finance Charge. To do so, you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash. If we receive your payment on time, we will return your check and cancel your loan.

Prepayment. You may prepay your Loan in full or in part with no additional charge. If you pay off early, you will not be entitled to a refund of any part of the finance charge. The finance charge constitutes a single charge for making the loan. Any partial payments you make will be applied first to fees and costs, then to finance charges, then to principal.

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Electronic Check Deposit. The check that you have given to us for payment of your obligation under this Agreement may be presented to your bank as an Electronic Funds Transfer ("EFT") through the Automated Clearing House (ACH) network. We may initiate a debit entry to your checking account in order to receive payment. We may do so where the check is lost, misplaced or destroyed or it is more practical to conduct an EFT rather than deposit your check. In other circumstances, we may process your payment and deposit your check. In cases where we utilize an EFT for payment, funds may be withdrawn from your account quickly sometimes the same date as your loan is due and you will not receive your check back from your financial institution. By signing this Agreement, you authorize us to electronically deposit and collect on your check in the amount of the Total of Payments shown in this Agreement. Your authorization to EFT your account will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice.

Nonpayment and Default. You will be in default if the Total of Payments is not paid in full by the due date. If you default on your obligations, in addition to the amounts you owe us, we may charge you interest for 90 days from the date of your default at the rate equal to the prime rate of the largest bank in the State of Nevada (as ascertained by the Nevada Commissioner of Financial Institutions), plus ten percent. If your payment either by check or EFT is not paid upon presentation because of NSF or Account Closed you will be charged a return check charge of \$25.00. If you default on this loan you have the opportunity within 30 days of the default to enter into a repayment plan with a term of at least 90 days. We will offer the repayment plan to you before we commence any civil action or process of alternative dispute resolution.

Authorizations to Collect Debt Upon Default. You authorize us to withdraw from your bank account the amount you owe us according to this or any former Agreement. We may make this withdrawal by re-presenting your check electronically, and/or by using one or more, in varied amounts paper or EFT debits not to exceed the amount owed to us. Your EFT debit authorization extends to the bank account listed on your original check or any other bank account maintained by you wherever located. If you provide us with a Visa or MasterCard check, debit or credit card (collectively the "Card") you also authorized us, denoted by your signature on this Agreement to charge, submit and collect all amounts due to us. We may submit these charges to your Card one or more times until the total amount owed to us is paid in full. Your authorization to ACH and to charge your Card will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice. We may not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize the above collection of the Total of Payments by electronic means from your bank account and Card. You may withdraw such voluntary consent by writing to us at our business address set forth above.

Offset. You agree that by law and this Agreement we or our agents may offset (deduct) any sums owed to us from any checks presented to us now or in the future for cashing. The amount owed to us includes any legitimate reason including, but not limited to, returned checks, return check charges, defaulted loans or additional collection costs that you have incurred with us or one of our affiliates.

Credit Reporting. You agree that we may make inquiries concerning your credit history and standing, and we may report information concerning your performance under this Agreement to credit reporting agencies.

Telephone Calls - Monitoring: You agree that if you are past due or in default, you will accept calls from us or a third party we have contracted with regarding the collection of your Account. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for purposes of state and federal law. If you provide us with a wireless or cellular telephone number, you agree that we may place calls to that number which may result in charges from your wireless or cellular carrier. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer service.

Agreements for Resolving Disputes: You agree to the Agreements for Resolving Disputes in this Agreement. Except as otherwise provided in the Agreements for Resolving Disputes, this Agreement will be governed by the laws of the State of Nevada. If any part of this Agreement is found to be unenforceable, that part will be deemed severed from the Agreement, and the remaining provisions will be enforced to the fullest extent allowed by law.

Agreements for Resolving Disputes

PRE-DISPUTE RESOLUTION PROCEDURE

In the event that you or we have a claim that arises from or relates to any check cashing, credit, loan or other services you request or we provide ("Services"), before commencing, joining or participating in any judicial or arbitration proceeding, as either an individual litigant or member of a class ("Proceeding"), the complaining party shall give the other party or any "related party": (1) at least 15 days' written notice of the claim ("Claim Notice"), explaining in reasonable detail the nature of the claim and any supporting facts; and (2) a reasonable good faith opportunity to resolve the claim without the necessity of a Proceeding. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); and our and their employees, directors, officers, shareholders, governors, managers and members. Any Claim Notice to us shall be sent in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205 (or such other address as we shall subsequently provide to you) or to you at your address appearing in our records or, if you are represented by an attorney, to your attorney at his or her office address. Nothing in this paragraph is intended to affect or modify in any fashion any separate Arbitration Provision between you and us.

ARBITRATION PROVISION

VERY IMPORTANT. READ THIS ARBITRATION PROVISION CAREFULLY. IT SETS FORTH WHEN AND HOW CLAIMS (AS DEFINED IN SECTION 2 BELOW) WHICH YOU OR WE HAVE AGAINST ONE ANOTHER WILL BE ARBITRATED INSTEAD OF LITIGATED IN COURT. IF YOU DON'T REJECT THIS ARBITRATION PROVISION IN ACCORDANCE WITH SECTION 1 BELOW, UNLESS PROHIBITED BY APPLICABLE LAW, IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY IN WHICH YOU OR WE RESOLVE ANY CLAIM WHICH YOU OR WE HAVE AGAINST EACH OTHER NOW OR IN THE FUTURE.

Unless prohibited by applicable law and unless you reject the Arbitration Provision in accordance with Section 1 below, you and we agree that either party may elect to require arbitration of any Claim under the following terms and conditions:

1. RIGHT TO REJECT ARBITRATION. If you do not want this Arbitration Provision to apply, you may reject it within 30 days after the date of your application ("Application") for check cashing, credit, loan or other services from us ("Services") [by delivering to us at any of our offices or] by mailing to us in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205, a written rejection notice which provides your name, address, the date of the Application, the address of the store where you submitted the Application and states that you are rejecting the related Arbitration Provision. If you want proof of the date of such a notice, you should send the notice by "certified mail, return receipt requested." If you use such a method, we will reimburse you for the postage upon your request. Nobody else can reject arbitration for you; this is the only way you can reject arbitration. Your rejection of arbitration will not affect your right to Services or the terms of Services. If you reject this Arbitration Provision, it shall have the effect of rejecting any prior arbitration provision or agreement between you and us that you did not have the right to reject; it will not affect any prior arbitration provision or agreement which you had a right to reject that you did not exercise.

2. DEFINITION OF "CLAIM". The term "Claim" means any claim, dispute or controversy between you and us (including "related parties" identified below) that arises from or relates in any way to Services you request or we provide, now, in the past or in the future; the Application (or any prior or future application); any agreement relating to Services ("Services Agreement"); any of our marketing, advertising, solicitations and conduct relating to your request for Services; our collection of any amounts you owe; our disclosure of or failure to protect any information about you; or the validity, enforceability or scope of this Arbitration Provision. "Claim" is to be given the broadest possible meaning and includes claims of every kind and nature, including but not limited to, initial claims, counterclaims, cross-claims and third-party claims, and claims based on any constitution, statute, regulation, ordinance, common law rule (including rules relating to contracts, negligence, fraud or other intentional wrongs) and equity. It includes disputes that seek relief of any type, including damages and/or injunctive, declaratory or other equitable relief. Notwithstanding the foregoing, "Claim" does not include any individual action brought by you in small claims court or your state's equivalent court, unless such action is transferred, removed, or appealed to a different court, or any assertion that Section 5(C), (D) and/or (E) below is invalid or unenforceable; any such actions and assertions of this kind will be resolved by a court and not an arbitrator. "Claim" also does not include any "self-help remedy" (that is, any steps taken to enforce rights without a determination by a court or arbitrator, for example, repossession and/or re-titling of a motor vehicle) or any individual action by you or us to prevent the other party from using any self-help remedy, so long as such self-help remedy or individual judicial action does not involve a request for monetary relief of any kind. Even if all parties have elected to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or any new Claim asserted in that lawsuit, and nothing in that litigation shall constitute a waiver of any rights under this Arbitration Provision. This Arbitration Provision will apply to all Claims, even if the facts and circumstances giving rise to the Claims existed before the effective date of this Arbitration Provision. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); our and their employees, directors, officers, shareholders, governors, managers and members; and any third parties who are parties in a legal proceeding involving you and us.

3. STARTING AN ARBITRATION. Before starting an arbitration (or a judicial proceeding), you or we must comply with any other agreement between you and us providing a right to notice of a claim and/or a right to attempt to resolve the claim without litigation or arbitration. To start an arbitration, you or we must give written notice of an election to arbitrate. This notice may be given after a lawsuit has been filed and may be given in papers or motions in the lawsuit. If such a notice is given, unless prohibited by applicable law, the Claim shall be resolved by arbitration under this Arbitration Provision and the applicable rules of the arbitration administrator then in effect. You must select the administrator when you give us notice that you want to arbitrate a claim or within 20 days after we give you such a notice. If you don't make a selection, we will. The administrator must be either the National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405, www.arb-forum.com, (800) 474-2371; or the American Arbitration Association, 1633 Broadway, 10th Floor, New York NY 10019, www.adr.org, (800) 778-7879. The arbitrator will be selected under the administrator's rules, except that the arbitrator must be a lawyer with at least ten years of experience or a retired judge unless the parties agree otherwise.

4. LOCATION AND COSTS. The arbitrator may decide that an in-person hearing is unnecessary and that he or she can resolve the Claim based on the papers submitted by the parties and/or through a telephone hearing. However, any arbitration hearing that you attend will take place in a location that is reasonably convenient for you. We will consider any good faith request you make for us to pay the administrator's or arbitrator's filing, administrative, hearing and/or other fees if you cannot obtain a waiver of such fees from the administrator and we will not seek or accept reimbursement of any such fees. We will also pay any fees or expenses we are required by law to pay or that we must pay in order for this Arbitration Provision to be enforced. Each party must normally pay for its own attorneys, experts and witnesses. However, we will pay all such reasonable fees and costs you incur if you are the prevailing party and/or where required by applicable law and/or the administrator's rules. The arbitrator shall not limit the attorneys' fees and costs to which you are entitled because your Claim is for a small amount. Also, to the extent permitted by applicable law and provided in any Services

Agreement, you will pay any reasonable attorneys' fees, collection costs and arbitration fees and costs we incur if we prevail in an arbitration in which we seek to recover any amount owed by you to us under the Services Agreement.

5. NO CLASS ACTIONS OR SIMILAR PROCEEDINGS; SPECIAL FEATURES OF ARBITRATION. IF YOU OR WE ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO: (A) HAVE A COURT OR A JURY DECIDE THE CLAIM; (B) OBTAIN INFORMATION PRIOR TO THE HEARING TO THE SAME EXTENT THAT YOU OR WE COULD IN COURT; (C) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR CLASS OPPONENT; (D) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (E) JOIN OR CONSOLIDATE CLAIM(S) INVOLVING YOU WITH CLAIMS INVOLVING ANY OTHER PERSON. THE RIGHT TO APPEAL IS MORE LIMITED IN ARBITRATION THAN IN COURT. OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

6. GETTING INFORMATION. In addition to the parties' rights under the administrator's rules to obtain information prior to the hearing, either party may ask the arbitrator for more information from the other party. The arbitrator will decide the issue in his or her sole discretion, after allowing the other party the opportunity to object.

7. EFFECT OF ARBITRATION AWARD. Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's award will be final and binding, except for: (1) any appeal right under the Federal Arbitration Act, 9 U.S.C. §1, *et seq.* (the "FAA"); and (2) Claims involving more than \$50,000. For Claims involving more than \$50,000, any party may appeal the award to a three-arbitrator panel appointed by the administrator, which will reconsider *de novo* any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. Unless applicable law provides otherwise, the appealing party will pay the appeal's costs, regardless of its outcome. However, we will consider any good faith request for us to bear the cost and will pay any amount that we must pay under applicable law or the administrator's rules and any amount that we must pay in order for this Arbitration Provision to be enforced.

8. GOVERNING LAW. This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA, and not Federal or state rules of civil procedure or evidence or any state laws that pertain specifically to arbitration, provided that the law of Kansas, where we are headquartered, shall be applicable to the extent that any state law is relevant in determining the enforceability of this Arbitration Provision under Section 2 of the FAA. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and applicable privilege rules, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. In addition, if you prevail in an individual (non-class) arbitration against us in which you are seeking monetary relief from us, we agree that the arbitrator shall award as the minimum amount of your damages (excluding arbitration fees and attorneys' fees and costs, if any) an amount that is \$100 greater than the jurisdictional limit of the small claims court (or your state's equivalent court) in the county in which you reside. For example, if such a court can decide claims up to \$5,000, then if you prevail in an individual arbitration, you will receive a minimum of \$5,100 even if the amount you would otherwise be entitled to receive is less than that amount. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator will follow rules of procedure and evidence consistent with the FAA, this Arbitration Provision and the administrator's rules.

9. SURVIVAL, SEVERABILITY, PRIMACY. This Arbitration Provision shall survive the full payment of any amounts due under any Services Agreement; any proper rescission or cancellation of any Services Agreements; any exercise of a self-help remedy; our sale or transfer of any Services Agreement or our rights under any Services Agreement; any legal proceeding by us to collect a debt owed by you; and your (or our) bankruptcy. If any part of this Arbitration Provision cannot be enforced, the rest of this Arbitration Provision will continue to apply; provided, however, that if Section 5(C), (D) and/or (E) is declared invalid in a proceeding between you and us, without in any way impairing the right to appeal such decision, this entire Arbitration Provision (other than this sentence) shall be null and void in such proceeding. In the event of any conflict or inconsistency between this Arbitration Provision and the administrator's rules or the rest of any Services Agreement, this Arbitration Provision will govern. If you and we are a party to any other arbitration or dispute resolution agreement in connection with prior Services, this Arbitration Provision will supersede such prior arbitration agreement.

10. BREACH OF ARBITRATION AGREEMENT. If either party fails to submit to arbitration following a proper demand to do so and a court later orders arbitration, to the extent permitted by law that party shall bear all costs and expenses including reasonable attorneys' fees, incurred by the other party in seeking to compel arbitration.

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JURY TRIAL WAIVER

YOU AND WE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, YOU AND WE, AFTER HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT. THIS JURY TRIAL WAIVER SHALL NOT AFFECT OR BE INTERPRETED AS MODIFYING IN ANY FASHION ANY SEPARATE ARBITRATION PROVISION BETWEEN YOU AND US, WHICH CONTAINS ITS OWN SEPARATE JURY TRIAL WAIVER.

Privacy Policy

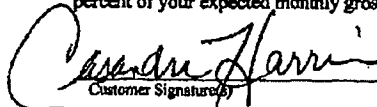
We respect the privacy of our customers and are committed to treating customer information responsibly. Our complete privacy policy statement is available on our website www.speedycash.com or ask for a copy from any Customer Advocate in our loan offices. You acknowledge that you have received a copy of our Privacy Policy on this date or within the past twelve months. You may contact our loan offices and request that a current copy of our Privacy Policy be mailed to you.

Important Notices

BY SIGNING THIS AGREEMENT OR APPLYING FOR A LOAN:

- YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ENTITLED TO HAVE A COURT, OTHER THAN A SMALL CLAIMS COURT OR JUSTICE COURT, RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ABLE TO BRING, JOIN OR PARTICIPATE IN ANY CLASS ACTION LAWSUIT AGAINST US.

By signing below, you acknowledge and affirm that: (1) you have received and read a copy of this Agreement, (2) you agree to the above terms and to the Agreements for Resolving Disputes, (3) there are no blank spaces appearing on this Agreement and (4) you represent that the "Amount Financed" as shown above, together with any other outstanding loans you have with us, does not exceed twenty-five percent of your expected monthly gross income.


Customer Signature(s) _____
Date 3/19/2009

By 
Rapid Cash Representative _____
Date 3/19/2009

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EXHIBIT D

Deferred Deposit Agreement & Disclosure Statement

Customer: **EUGENE VARCADOS**
701 WHEAT RIDGE LN #101
LAS VEGAS, NV 89145

Lender: **Advance Group Inc. dba Rapid Cash**
2710A S. Maryland Pkwy
Las Vegas, NV 89109
(702)868-2648

Check Number: 1008 Check Amount: \$588.24 Agreement Date 04/30/08 Due Date (Date of Check): 05/18/08

ITEMIZATION OF AMOUNT FINANCED OF \$500.00
 New Applicant Fee..... \$0.00
 Amount Paid Directly To You \$500.00
 Amount Paid On Your Account..... \$0.00

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. 357.88%	FINANCE CHARGE The dollar amount the credit will cost you. \$88.24	Amount Financed The amount of credit provided to you or on your behalf. \$500.00	Total of Payments The amount you will have paid after you have made all payments as scheduled. \$588.24
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Payment Schedule: One payment in the amount of \$588.24, due on 05/18/08
 (Month) (Day) (Year)

Prepayment: If you pay off early, you will not be entitled to a refund of any part of the finance charge. See the information below about nonpayment and default.

No Security Interest. No security interest is given or taken in connection with this transaction except other than any security in your Check that may arise by operation of law.

AGREEMENT

This Agreement contains important terms and conditions affecting your loan. **Read it carefully before you sign it.**

Definitions. Certain words used in this Agreement have special meanings. The word "Agreement" means this Deferred Deposit Agreement & Disclosure Statement. The words "you" and "your" means the person signing this Agreement. The words "we," "us" and "our" mean Advance Group, Inc., Principal Investments, Inc. or FMNR Investments, Inc. each doing business as Rapid Cash. The word "loan" means the deferred deposit transaction governed by this Agreement. The words "due date" mean the due date shown above and in the Payment Schedule shown in the box above. The boxed-in disclosures above are part of the terms and conditions of your Agreement with us.

Promise to Pay. You promise to pay us the "Total of Payments" in the box above, which includes a Finance Charge, on the due date.

Deferred Deposit. You are giving us your personal check, identified above by check number. We will not deposit your check until the due date. You promise that on the due date, you will have enough money available in your account to repay your loan. You promise that you will not close your account or place a stop payment on the check.

Our Fee. Our single charge fee for making the loan appears in the box above and is expressed as a dollar amount (Finance Charge) and an Annual Percentage Rate. The Annual Percentage Rate above is based upon that fee being an add-on finance charge, which is fully earned by us as of the date of this Agreement.

No Collateral. We are not allowed to accept any collateral except other than any security interest in your Check that may arise by operation of law.

Extensions. At any time prior to the due date, you may request an extension of this loan. We may grant or deny your request in our sole discretion. If we grant your request, you will be required to pay the Finance Charge shown above and sign a new Deferred Deposit Agreement. You will be required to pay your loan in full, including an additional Finance Charge, on the new due date. The terms of the extension, including the additional finance charge, will be described in the new Deferred Deposit Agreement. You agree to provide us a new check for the balance due on the new due date. The due date for any extension cannot be later than 60 days from the date the original loan was due.

Option to Rescind. You may cancel this loan without paying the Finance Charge. To do so, you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash. If we receive your payment on time, we will return your check and cancel your loan.

Prepayment. You may prepay your Loan in full or in part with no additional charge. If you pay off early, you will not be entitled to a refund of any part of the finance charge. The finance charge constitutes a single charge for making the loan. Any partial payments you make will be applied first to fees and costs, then to finance charges, then to principal.

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Electronic Check Deposit. The check that you have given to us for payment of your obligation under this Agreement may be presented to your bank as an Electronic Funds Transfers ("EFT") through the Automated Clearing House (ACH) network. We may initiate a debit entry to your checking account in order to receive payment. We may do so where the check is lost, misplaced or destroyed or it is more practical to conduct an EFT rather than deposit your check. In other circumstances, we may process your payment and deposit your check. In cases where we utilize an EFT for payment, funds may be withdrawn from your account quickly sometimes the same date as your loan is due and you will not receive your check back from your financial institution. By signing this Agreement, you authorize us to electronically deposit and collect on your check in the amount of the Total of Payments shown in this Agreement. Your authorization to EFT your account will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice.

Nonpayment and Default. You will be in default if the Total of Payments is not paid in full by the due date. If you default on your obligations, in addition to the amounts you owe us, we may charge you interest for 90 days from the date of your default at the rate equal to the prime rate of the largest bank in the State of Nevada (as ascertained by the Nevada Commissioner of Financial Institutions), plus ten percent. If your payment either by check or EFT is not paid upon presentment because of NSF or Account Closed you will be charged a return check charge of \$25.00. If you default on this loan you have the opportunity within 30 days of the default to enter into a repayment plan with a term of at least 90 days. We will offer the repayment plan to you before we commence any civil action or process of alternative dispute resolution.

Authorizations to Collect Debt Upon Default. You authorize us to withdraw from your bank account the amount you owe us according to this or any former Agreement. We may make this withdrawal by re-presenting your check electronically, and/or by using one or more, in varied amounts paper or EFT debits not to exceed the amount owed to us. Your EFT debit authorization extends to the bank account listed on your original check or any other bank account maintained by you wherever located. If you provide us with a Visa or MasterCard check, debit or credit card (collectively the "Card") you also authorized us, denoted by your signature on this Agreement to charge, submit and collect all amounts due to us. We may submit these charges to your Card one or more times until the total amount owed to us is paid in full. Your authorization to ACH and to charge your Card will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice. We may not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize the above collection of the Total of Payments by electronic means from your bank account and Card. You may withdraw such voluntary consent by writing to us at our business address set forth above.

Offset. You agree that by law and this Agreement we or our agents may offset (deduct) any sums owed to us from any checks presented to us now or in the future for cashing. The amount owed to us includes any legitimate reason including, but not limited to, returned checks, return check charges, defaulted loans or additional collection costs that you have incurred with us or one of our affiliates.

Credit Reporting. You agree that we may make inquiries concerning your credit history and standing, and we may report information concerning your performance under this Agreement to credit reporting agencies.

Telephone Calls - Monitoring: You agree that if you are past due or in default, you will accept calls from us regarding the collection of your Account. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for purposes of state and federal law. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer service.

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PRIVACY POLICY

Notice of Your Financial Privacy Rights

We respect the privacy of our customers and are committed to treating customer information responsibly. This Notice of Privacy Policy is for Tiger Financial Management, LLC., all of the family of companies doing business as Speedy Cash® or Rapid Cash™, and their related or affiliated companies. This Notice describes the type of information we collect, how we might disclose that information and the steps we take to protect it.

A. NON-DISCLOSURE POLICY AND SECURITY. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

B. CATEGORIES OF INFORMATION WE COLLECT. We collect nonpublic personal information from the following sources: information we receive from you on applications or other forms, such as social security number, banking and credit history and income; information about your transactions within the Speedy /Rapid Cash /AAA Title Loan group of companies, or others; information we receive from consumer credit reporting agencies or similar companies; and information we receive from other nonaffiliated third parties, such as your bank.

C. CATEGORIES OF INFORMATION WE DISCLOSE. We may disclose all the information we collect, as described above, to our companies and to nonaffiliated third parties in accordance with applicable law and unaffiliated third parties provided you have not opted out of such disclosure.

D. CATEGORIES OF AFFILIATES and THIRD PARTIES TO WHOM WE DISCLOSE. Affiliates: The Speedy / Rapid Cash / AAA Title Loan group of companies; Third Parties: Entities who process or administer a financial transaction requested or authorized by you; Consumer Credit Reporting Agencies to which we are permitted under law and banks, credit card companies and other financial service providers with whom you have a contractual relationship and federal, state and local governmental departments that require us to disclose the information or where disclosure concerns fraud, theft or criminal activity; other third parties that are permitted under 16 CFR 313.15; and, Unaffiliated Third Parties such as financial service providers such as banks, mortgage companies, banks, money service businesses and insurance companies.

E. NON-AFFILIATED THIRD PARTIES AND OPT OUT PROCEDURE. To inform you of product and service opportunities that may be of interest to you, we may share all of the nonpublic personal information that we obtain about you, as described above, with non-affiliated third parties such as financial service providers such as credit card issuers, finance companies, money service businesses, banks, and mortgage companies.

You may request that we not share this information with such nonaffiliated third parties by "opting out" as described in the Opt Out section of this Privacy Policy.

How to Opt Out or Stop Certain Disclosures About You:

If you prefer that we do not disclose nonpublic personal information about you to nonaffiliated third parties you may opt out of those disclosures (other than disclosures permitted by law). If you wish to opt out of the disclosures to nonaffiliated third parties, write to us at:

Speedy / Rapid Cash / Privacy Opt Out / 3611 North Ridge Road
Wichita, Kansas 67205

You may opt out of these disclosures at any time. This opt out, by law, will not apply to disclosures that are legally permitted or disclosure we make to companies that perform services on our behalf or to other financial institutions that have joint marketing agreements with us. Once we receive your request, we have a reasonable amount of time to stop the disclosures. You may always contact us for assistance if you wish to later revoke your opt out election.

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Agreements for Resolving Disputes: You agree to the Agreements for Resolving Disputes in this Agreement. Except as otherwise provided in the Agreements for Resolving Disputes, this Agreement will be governed by the laws of the State of Nevada. If any part of this Agreement is found to be unenforceable, that part will be deemed severed from the Agreement, and the remaining provisions will be enforced to the fullest extent allowed by law.

Agreements for Resolving Disputes

PRE-DISPUTE RESOLUTION PROCEDURE

In the event that you or we have a claim that arises from or relates to any check cashing, credit, loan or other services you request or we provide ("Services"), before commencing, joining or participating in any judicial or arbitration proceeding, as either an individual litigant or member of a class ("Proceeding"), the complaining party shall give the other party or any "related party": (1) at least 15 days' written notice of the claim ("Claim Notice"), explaining in reasonable detail the nature of the claim and any supporting facts; and (2) a reasonable good faith opportunity to resolve the claim without the necessity of a Proceeding. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); and our and their employees, directors, officers, shareholders, governors, managers and members. Any Claim Notice to us shall be sent in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205 (or such other address as we shall subsequently provide to you) or to you at your address appearing in our records or, if you are represented by an attorney, to your attorney at his or her office address. Nothing in this paragraph is intended to affect or modify in any fashion any separate Arbitration Provision between you and us.

ARBITRATION PROVISION

VERY IMPORTANT. READ THIS ARBITRATION PROVISION CAREFULLY. IT SETS FORTH WHEN AND HOW CLAIMS (AS DEFINED IN SECTION 2 BELOW) WHICH YOU OR WE HAVE AGAINST ONE ANOTHER WILL BE ARBITRATED INSTEAD OF LITIGATED IN COURT. IF YOU DON'T REJECT THIS ARBITRATION PROVISION IN ACCORDANCE WITH SECTION 1 BELOW, UNLESS PROHIBITED BY APPLICABLE LAW, IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY IN WHICH YOU OR WE RESOLVE ANY CLAIM WHICH YOU OR WE HAVE AGAINST EACH OTHER NOW OR IN THE FUTURE.

Unless prohibited by applicable law and unless you reject the Arbitration Provision in accordance with Section 1 below, you and we agree that either party may elect to require arbitration of any Claim under the following terms and conditions:

1. RIGHT TO REJECT ARBITRATION. If you do not want this Arbitration Provision to apply, you may reject it within 30 days after the date of your application ("Application") for check cashing, credit, loan or other services from us ("Services") [by delivering to us at any of our offices or] by mailing to us in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205, a written rejection notice which provides your name, address, the date of the Application, the address of the store where you submitted the Application and states that you are rejecting the related Arbitration Provision. If you want proof of the date of such a notice, you should send the notice by "certified mail, return receipt requested." If you use such a method, we will reimburse you for the postage upon your request. Nobody else can reject arbitration for you; this is the only way you can reject arbitration. Your rejection of arbitration will not affect your right to Services or the terms of Services. If you reject this Arbitration Provision, it shall have the effect of rejecting any prior arbitration provision or agreement between you and us that you did not have the right to reject; it will not affect any prior arbitration provision or agreement which you had a right to reject that you did not exercise.

2. DEFINITION OF "CLAIM". The term "Claim" means any claim, dispute or controversy between you and us (including "related parties" identified below) that arises from or relates in any way to Services you request or we provide, now, in the past or in the future; the Application (or any prior or future application); any agreement relating to Services ("Services Agreement"); any of our marketing, advertising, solicitations and conduct relating to your request for Services; our collection of any amounts you owe; our disclosure of or failure to protect any information about you; or the validity, enforceability or scope of this Arbitration Provision. "Claim" is to be given the broadest possible meaning and includes claims of every kind and nature, including but not limited to, initial claims, counterclaims, cross-claims and third-party claims, and claims based on any constitution, statute, regulation, ordinance, common law rule (including rules relating to contracts, negligence, fraud or other intentional wrongs) and equity. It includes disputes that seek relief of any type, including damages and/or injunctive, declaratory or other equitable relief. Notwithstanding the foregoing, "Claim" does not include any individual action brought by you in small claims court or your state's equivalent court, unless such action is transferred, removed, or appealed to a different court, or any assertion that Section 5(C), (D) and/or (E) below is invalid or unenforceable; any such actions and assertions of this kind will be resolved by a court and not an arbitrator. "Claim" also does not include any "self-help remedy" (that is, any steps taken to enforce rights without a determination by a court or arbitrator, for example, repossession and/or re-titling of a motor vehicle) or any individual action by you or us to prevent the other party from using any self-help remedy, so long as such self-help remedy or individual judicial action does not involve a request for monetary relief of any kind. Even if all parties have elected to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or any new Claim asserted in that lawsuit, and nothing in that litigation shall constitute a waiver of any rights under this Arbitration Provision. This Arbitration Provision will apply to all Claims, even if the facts and circumstances giving rise to the Claims existed before the effective date of this Arbitration Provision. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); our and their employees, directors, officers, shareholders, governors, managers and members; and any third parties who are parties in a legal proceeding involving you and us.

3. STARTING AN ARBITRATION. Before starting an arbitration (or a judicial proceeding), you or we must comply with any other agreement between you and us providing a right to notice of a claim and/or a right to attempt to resolve the claim without litigation or arbitration. To start an arbitration, you or we must give written notice of an election to arbitrate. This notice may be given after a lawsuit has been filed and may be given in papers or motions in the lawsuit. If such a notice is given, unless prohibited by applicable law, the Claim shall be resolved by arbitration under this Arbitration Provision and the applicable rules of the arbitration administrator then in effect. You must select the administrator when you give us notice that you want to arbitrate a claim or within 20 days after we give you such a notice. If you don't make a selection, we will. The administrator must be either the National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405, www.arb-forum.com, (800) 474-2371; or the American Arbitration Association, 1633 Broadway, 10th Floor, New York NY 10019, www.adr.org, (800) 778-7879. The arbitrator will be selected under the administrator's rules, except that the arbitrator must be a lawyer with at least ten years of experience or a retired judge unless the parties agree otherwise.

4. LOCATION AND COSTS. The arbitrator may decide that an in-person hearing is unnecessary and that he or she can resolve the Claim based on the papers submitted by the parties and/or through a telephone hearing. However, any arbitration hearing that you attend will take place in a location that is reasonably convenient for you. We will consider any good faith request you make for us to pay the administrator's or arbitrator's filing, administrative, hearing and/or other fees if you cannot obtain a waiver of such fees from the administrator and we will not seek or accept reimbursement of any such fees. We will also pay any fees or expenses we are required by law to pay or that we must pay in order for this Arbitration Provision to be enforced. Each party must normally pay for its own attorneys, experts and witnesses. However, we will pay all such reasonable fees and costs you incur if you are the prevailing party and/or where required by applicable law and/or the administrator's rules. The arbitrator shall not limit the attorneys' fees and costs to which you are entitled because your Claim is for a small amount. Also, to the extent permitted by applicable law and provided in any Services Agreement, you will pay any reasonable attorneys' fees, collection costs and arbitration fees and costs we incur if we prevail in an arbitration in which we seek to recover any amount owed by you to us under the Services Agreement.

5. NO CLASS ACTIONS OR SIMILAR PROCEEDINGS; SPECIAL FEATURES OF ARBITRATION. IF YOU OR WE ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO: (A) HAVE A COURT OR A JURY DECIDE THE CLAIM; (B) OBTAIN INFORMATION PRIOR TO THE HEARING TO THE SAME EXTENT THAT YOU OR WE COULD IN COURT; (C) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR CLASS OPPONENT; (D) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (E) JOIN OR CONSOLIDATE CLAIM(S) INVOLVING YOU WITH CLAIMS INVOLVING ANY OTHER PERSON. THE RIGHT TO APPEAL IS MORE LIMITED IN ARBITRATION THAN IN COURT. OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

6. GETTING INFORMATION. In addition to the parties' rights under the administrator's rules to obtain information prior to the hearing, either party may ask the arbitrator for more information from the other party. The arbitrator will decide the issue in his or her sole discretion, after allowing the other party the opportunity to object.

7. EFFECT OF ARBITRATION AWARD. Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's award will be final and binding, except for: (1) any appeal right under the Federal Arbitration Act, 9 U.S.C. §1, *et seq.* (the "FAA"); and (2) Claims involving more than \$50,000. For Claims involving more than \$50,000, any party may appeal the award to a three-arbitrator panel appointed by the administrator, which will reconsider *de novo* any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. Unless applicable law provides otherwise, the appealing party will pay the appeal's costs, regardless of its outcome. However, we will consider any good faith request for us to bear the cost and will pay any amount that we must pay under applicable law or the administrator's rules and any amount that we must pay in order for this Arbitration Provision to be enforced.

8. GOVERNING LAW. This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA, and not Federal or state rules of civil procedure or evidence or any state laws that pertain specifically to arbitration, provided that the law of Kansas, where we are headquartered, shall be applicable to the extent that any state law is relevant in determining the enforceability of this Arbitration Provision under Section 2 of the FAA. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and applicable privilege rules, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. In addition, if you prevail in an individual (non-class) arbitration against us in which you are seeking monetary relief from us, we agree that the arbitrator shall award as the minimum amount of your damages (excluding arbitration fees and attorneys' fees and costs, if any) an amount that is \$100 greater than the jurisdictional limit of the small claims court (or your state's equivalent court) in the county in which you reside. For example, if such a court can decide claims up to \$5,000, then if you prevail in an individual arbitration, you will receive a minimum of \$5,100 even if the amount you would otherwise be entitled to receive is less than that amount. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator will follow rules of procedure and evidence consistent with the FAA, this Arbitration Provision and the administrator's rules.

9. SURVIVAL, SEVERABILITY, PRIMACY. This Arbitration Provision shall survive the full payment of any amounts due under any Services Agreement; any proper rescission or cancellation of any Services Agreements; any exercise of a self-help remedy; our sale or transfer of any Services Agreement or our rights under any Services Agreement; any legal proceeding by us to collect a debt owed by you; and your (or our) bankruptcy. If any part of this Arbitration Provision cannot be enforced, the rest of this Arbitration Provision will continue to apply; provided, however, that if Section 5(C), (D) and/or (E) is declared invalid in a proceeding between you and us, without

In any way impairing the right to appeal such decision, this entire Arbitration Provision (other than this sentence) shall be null and void in such proceeding. In the event of any conflict of inconsistency between this Arbitration Provision and the administrator's rules or the rest of any Services Agreement, this Arbitration Provision will govern. If you and we are a party to any other arbitration or dispute resolution agreement in connection with prior Services, this Arbitration Provision will supersede such prior arbitration agreement.

10. BREACH OF ARBITRATION AGREEMENT. If either party fails to submit to arbitration following a proper demand to do so and a court later orders arbitration, to the extent permitted by law that party shall bear all costs and expenses including reasonable attorneys' fees, incurred by the other party in seeking to compel arbitration.

JURY TRIAL WAIVER

YOU AND WE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, YOU AND WE, AFTER HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT. THIS JURY TRIAL WAIVER SHALL NOT AFFECT OR BE INTERPRETED AS MODIFYING IN ANY FASHION ANY SEPARATE ARBITRATION PROVISION BETWEEN YOU AND US, WHICH CONTAINS ITS OWN SEPARATE JURY TRIAL WAIVER.

Important Notices

BY SIGNING THIS AGREEMENT OR APPLYING FOR A LOAN:

- YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ENTITLED TO HAVE A COURT, OTHER THAN A SMALL CLAIMS COURT OR JUSTICE COURT, RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ABLE TO BRING, JOIN OR PARTICIPATE IN ANY CLASS ACTION LAWSUIT AGAINST US.

By signing below, you acknowledge and affirm that: (1) you have received and read a copy of this Agreement, (2) you agree to the above terms and to the Agreements for Resolving Disputes, (3) there are no blanks spaces appearing on this Agreement and (4) you represent that the "Amount Financed" as shown above, together with any other outstanding loans you have with us, does not exceed twenty-five percent of your expected monthly gross income.


Customer Signature(s) 4/30/2008
Date

By 
Rapid Cash Representative 4/30/2008
Date

EXHIBIT E

Deferred Deposit Agreement & Disclosure Statement

Customer: **EUGENE VARCADOS**
701 WHEAT RIDGE LN #101
LAS VEGAS, NV 89145

Lender: **Advance Group Inc. dba Rapid Cash**
2710A S. Maryland Pkwy
Las Vegas, NV 89109
(702)866-2648

Check Number: 1011 Check Amount: \$588.24 Agreement Date 05/24/08 Due Date (Date of Check): 06/07/08

ITEMIZATION OF AMOUNT FINANCED OF \$500.00
 New Applicant Fee..... \$0.00
 Amount Paid Directly To You \$0.00
 Amount Paid On Your Account..... \$500.00

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.
480.11%	<u>\$88.24</u>	<u>\$500.00</u>	<u>\$588.24</u>

Payment Schedule: One payment in the amount of \$588.24, due on 06/07/08
 (Month) (Day) (Year)

Prepayment: If you pay off early, you will not be entitled to a refund of any part of the finance charge. See the information below about nonpayment and default.

No Security Interest. No security interest is given or taken in connection with this transaction except other than any security in your Check that may arise by operation of law.

AGREEMENT

This Agreement contains important terms and conditions affecting your loan. Read it carefully before you sign it.

Definitions. Certain words used in this Agreement have special meanings. The word "Agreement" means this Deferred Deposit Agreement & Disclosure Statement. The words "you" and "your" means the person signing this Agreement. The words "we," "us" and "our" mean Advance Group, Inc., Principal Investments, Inc. or FMMR Investments, Inc. each doing business as Rapid Cash. The word "loan" means the deferred deposit transaction governed by this Agreement. The words "due date" mean the due date shown above and in the Payment Schedule shown in the box above. The boxed-in disclosures above are part of the terms and conditions of your Agreement with us.

Promise to Pay. You promise to pay us the "Total of Payments" in the box above, which includes a Finance Charge, on the due date.

Deferred Deposit. You are giving us your personal check, identified above by check number. We will not deposit your check until the due date. You promise that on the due date, you will have enough money available in your account to repay your loan. You promise that you will not close your account or place a stop payment on the check.

Our Fee. Our single charge fee for making the loan appears in the box above and is expressed as a dollar amount (Finance Charge) and an Annual Percentage Rate. The Annual Percentage Rate above is based upon that fee being an add-on finance charge, which is fully earned by us as of the date of this Agreement.

No Collateral. We are not allowed to accept any collateral except other than any security interest in your Check that may arise by operation of law.

Extensions. At any time prior to the due date, you may request an extension of this loan. We may grant or deny your request in our sole discretion. If we grant your request, you will be required to pay the Finance Charge shown above and sign a new Deferred Deposit Agreement. You will be required to pay your loan in full, including an additional Finance Charge, on the new due date. The terms of the extension, including the additional finance charge, will be described in the new Deferred Deposit Agreement. You agree to provide us a new check for the balance due on the new due date. The due date for any extension cannot be later than 60 days from the date the original loan was due.

Option to Rescind. You may cancel this loan without paying the Finance Charge. To do so, you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash. If we receive your payment on time, we will return your check and cancel your loan.

Prepayment. You may prepay your Loan in full or in part with no additional charge. If you pay off early, you will not be entitled to a refund of any part of the finance charge. The finance charge constitutes a single charge for making the loan. Any partial payments you make will be applied first to fees and costs, then to finance charges, then to principal.

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Electronic Check Deposit. The check that you have given to us for payment of your obligation under this Agreement may be presented to your bank as an Electronic Funds Transfers ("EFT") through the Automated Clearing House (ACH) network. We may initiate a debit entry to your checking account in order to receive payment. We may do so where the check is lost, misplaced or destroyed or it is more practical to conduct an EFT rather than deposit your check. In other circumstances, we may process your payment and deposit your check. In cases where we utilize an EFT for payment, funds may be withdrawn from your account quickly sometimes the same date as your loan is due and you will not receive your check back from your financial institution. By signing this Agreement, you authorize us to electronically deposit and collect on your check in the amount of the Total of Payments shown in this Agreement. Your authorization to EFT your account will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice.

Nonpayment and Default. You will be in default if the Total of Payments is not paid in full by the due date. If you default on your obligations, in addition to the amounts you owe us, we may charge you interest for 90 days from the date of your default at the rate equal to the prime rate of the largest bank in the State of Nevada (as ascertained by the Nevada Commissioner of Financial Institutions), plus ten percent. If your payment either by check or EFT is not paid upon presentment because of NSF or Account Closed you will be charged a return check charge of \$25.00. If you default on this loan you have the opportunity within 30 days of the default to enter into a repayment plan with a term of at least 90 days. We will offer the repayment plan to you before we commence any civil action or process of alternative dispute resolution.

Authorizations to Collect Debt Upon Default. You authorize us to withdraw from your bank account the amount you owe us according to this or any former Agreement. We may make this withdrawal by re-presenting your check electronically, and/or by using one or more, in varied amounts paper or EFT debits not to exceed the amount owed to us. Your EFT debit authorization extends to the bank account listed on your original check or any other bank account maintained by you wherever located. If you provide us with a Visa or MasterCard check, debit or credit card (collectively the "Card") you also authorized us, denoted by your signature on this Agreement to charge, submit and collect all amounts due to us. We may submit these charges to your Card one or more times until the total amount owed to us is paid in full. Your authorization to ACH and to charge your Card will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice. We may not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize the above collection of the Total of Payments by electronic means from your bank account and Card. You may withdraw such voluntary consent by writing to us at our business address set forth above.

Offset. You agree that by law and this Agreement we or our agents may offset (deduct) any sums owed to us from any checks presented to us now or in the future for cashing. The amount owed to us includes any legitimate reason including, but not limited to, returned checks, return check charges, defaulted loans or additional collection costs that you have incurred with us or one of our affiliates.

Credit Reporting. You agree that we may make inquiries concerning your credit history and standing, and we may report information concerning your performance under this Agreement to credit reporting agencies.

Telephone Calls - Monitoring: You agree that if you are past due or in default, you will accept calls from us regarding the collection of your Account. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for purposes of state and federal law. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer service.

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PRIVACY POLICY

Notice of Your Financial Privacy Rights

We respect the privacy of our customers and are committed to treating customer information responsibly. This Notice of Privacy Policy is for Tiger Financial Management, LLC., all of the family of companies doing business as Speedy Cash® or Rapid Cash™, and their related or affiliated companies. This Notice describes the type of information we collect, how we might disclose that information and the steps we take to protect it.

A. NON-DISCLOSURE POLICY AND SECURITY. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

B. CATEGORIES OF INFORMATION WE COLLECT. We collect nonpublic personal information from the following sources: Information we receive from you on applications or other forms, such as social security number, banking and credit history and income; Information about your transactions within the Speedy /Rapid Cash /AAA Title Loan group of companies, or others; Information we receive from consumer credit reporting agencies or similar companies; and Information we receive from other nonaffiliated third parties, such as your bank.

C. CATEGORIES OF INFORMATION WE DISCLOSE. We may disclose all the information we collect, as described above, to our companies and to nonaffiliated third parties in accordance within applicable law and unaffiliated third parties provided you have not opted out of such disclosure.

D. CATEGORIES OF AFFILIATES and THIRD PARTIES TO WHOM WE DISCLOSE. Affiliates: The Speedy / Rapid Cash / AAA Title Loan group of companies; Third Parties: Entities who process or administer a financial transaction requested or authorized by you; Consumer Credit Reporting Agencies to which we permitted under law and banks, credit card companies and other financial service providers with whom you have a contractual relationship and federal, state and local governmental departments that require us to disclose the information or where disclosure concerns fraud, theft or criminal activity; other third parties that are permitted under 16 CFR 313.15; and, Unaffiliated Third Parties such as financial service providers such as banks, mortgage companies, banks, money service businesses and insurance companies.

E. NON-AFFILIATED THIRD PARTIES AND OPT OUT PROCEDURE. To inform you of product and service opportunities that may be of interest to you, we may share all of the nonpublic personal information that we obtain about you, as described above, with non-affiliated third parties such as financial service providers such as credit card issuers, finance companies, money service businesses, banks, and mortgage companies.

You may request that we not share this information with such nonaffiliated third parties by "opting out" as described in the Opt Out section of this Privacy Policy.

How to Opt Out or Stop Certain Disclosures About You:

If you prefer that we do not disclose nonpublic personal information about you to nonaffiliated third parties you may opt out of those disclosures (other than disclosures permitted by law). If you wish to opt out of the disclosures to nonaffiliated third parties, write to us at:

Speedy / Rapid Cash / Privacy Opt Out / 3611 North Ridge Road
Wichita, Kansas 67205

You may opt out of these disclosures at any time. This opt out, by law, will not apply to disclosures that are legally permitted or disclosure we make to companies that perform services on our behalf or to other financial institutions that have joint marketing agreements with us. Once we receive your request, we have a reasonable amount of time to stop the disclosures. You may always contact us for assistance if you wish to later revoke your opt out election.

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Agreements for Resolving Disputes: You agree to the Agreements for Resolving Disputes in this Agreement. Except as otherwise provided in the Agreements for Resolving Disputes, this Agreement will be governed by the laws of the State of Nevada. If any part of this Agreement is found to be unenforceable, that part will be deemed severed from the Agreement, and the remaining provisions will be enforced to the fullest extent allowed by law.

Agreements for Resolving Disputes

PRE-DISPUTE RESOLUTION PROCEDURE

In the event that you or we have a claim that arises from or relates to any check cashing, credit, loan or other services you request or we provide ("Services"), before commencing, joining or participating in any judicial or arbitration proceeding, as either an individual litigant or member of a class ("Proceeding"), the complaining party shall give the other party or any "related party": (1) at least 15 days' written notice of the claim ("Claim Notice"), explaining in reasonable detail the nature of the claim and any supporting facts; and (2) a reasonable good faith opportunity to resolve the claim without the necessity of a Proceeding. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); and our and their employees, directors, officers, shareholders, governors, managers and members. Any Claim Notice to us shall be sent in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205 (or such other address as we shall subsequently provide to you) or to you at your address appearing in our records or, if you are represented by an attorney, to your attorney at his or her office address. Nothing in this paragraph is intended to affect or modify in any fashion any separate Arbitration Provision between you and us.

ARBITRATION PROVISION

VERY IMPORTANT. READ THIS ARBITRATION PROVISION CAREFULLY. IT SETS FORTH WHEN AND HOW CLAIMS (AS DEFINED IN SECTION 2 BELOW) WHICH YOU OR WE HAVE AGAINST ONE ANOTHER WILL BE ARBITRATED INSTEAD OF LITIGATED IN COURT. IF YOU DON'T REJECT THIS ARBITRATION PROVISION IN ACCORDANCE WITH SECTION 1 BELOW, UNLESS PROHIBITED BY APPLICABLE LAW, IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY IN WHICH YOU OR WE RESOLVE ANY CLAIM WHICH YOU OR WE HAVE AGAINST EACH OTHER NOW OR IN THE FUTURE.

Unless prohibited by applicable law and unless you reject the Arbitration Provision in accordance with Section 1 below, you and we agree that either party may elect to require arbitration of any Claim under the following terms and conditions:

1. RIGHT TO REJECT ARBITRATION. If you do not want this Arbitration Provision to apply, you may reject it within 30 days after the date of your application ("Application") for check cashing, credit, loan or other services from us ("Services") [by delivering to us at any of our offices or] by mailing to us in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205, a written rejection notice which provides your name, address, the date of the Application, the address of the store where you submitted the Application and states that you are rejecting the related Arbitration Provision. If you want proof of the date of such a notice, you should send the notice by "certified mail, return receipt requested." If you use such a method, we will reimburse you for the postage upon your request. Nobody else can reject arbitration for you; this is the only way you can reject arbitration. Your rejection of arbitration will not affect your right to Services or the terms of Services. If you reject this Arbitration Provision, it shall have the effect of rejecting any prior arbitration provision or agreement between you and us that you did not have the right to reject; it will not affect any prior arbitration provision or agreement which you had a right to reject that you did not exercise.

2. DEFINITION OF "CLAIM". The term "Claim" means any claim, dispute or controversy between you and us (including "related parties" identified below) that arises from or relates in any way to Services you request or we provide, now, in the past or in the future; the Application (or any prior or future application); any agreement relating to Services ("Services Agreement"); any of our marketing, advertising, solicitations and conduct relating to your request for Services; our collection of any amounts you owe; our disclosure of or failure to protect any information about you; or the validity, enforceability or scope of this Arbitration Provision. "Claim" is to be given the broadest possible meaning and includes claims of every kind and nature, including but not limited to, initial claims, counterclaims, cross-claims and third-party claims, and claims based on any constitution, statute, regulation, ordinance, common law rule (including rules relating to contracts, negligence, fraud or other intentional wrongs) and equity. It includes disputes that seek relief of any type, including damages and/or injunctive, declaratory or other equitable relief. Notwithstanding the foregoing, "Claim" does not include any individual action brought by you in small claims court or your state's equivalent court, unless such action is transferred, removed, or appealed to a different court, or any assertion that Section 5(C), (D) and/or (E) below is invalid or unenforceable; any such actions and assertions of this kind will be resolved by a court and not an arbitrator. "Claim" also does not include any "self-help remedy" (that is, any steps taken to enforce rights without a determination by a court or arbitrator, for example, repossession and/or re-titling of a motor vehicle) or any individual action by you or us to prevent the other party from using any self-help remedy, so long as such self-help remedy or individual judicial action does not involve a request for monetary relief of any kind. Even if all parties have elected to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or any new Claim asserted in that lawsuit, and nothing in that litigation shall constitute a waiver of any rights under this Arbitration Provision. This Arbitration Provision will apply to all Claims, even if the facts and circumstances giving rise to the Claims existed before the effective date of this Arbitration Provision. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); our and their employees, directors, officers, shareholders, governors, managers and members; and any third parties who are parties in a legal proceeding involving you and us.

3. STARTING AN ARBITRATION. Before starting an arbitration (or a judicial proceeding), you or we must comply with any other agreement between you and us providing a right to notice of a claim and/or a right to attempt to resolve the claim without litigation or arbitration. To start an arbitration, you or we must give written notice of an election to arbitrate. This notice may be given after a lawsuit has been filed and may be given in papers or motions in the lawsuit. If such a notice is given, unless prohibited by applicable law, the Claim shall be resolved by arbitration under this Arbitration Provision and the applicable rules of the arbitration administrator then in effect. You must select the administrator when you give us notice that you want to arbitrate a claim or within 20 days after we give you such a notice. If you don't make a selection, we will. The administrator must be either the National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405, www.arb-forum.com, (800) 474-2371; or the American Arbitration Association, 1633 Broadway, 10th Floor, New York NY 10019, www.adr.org, (800) 778-7879. The arbitrator will be selected under the administrator's rules, except that the arbitrator must be a lawyer with at least ten years of experience or a retired judge unless the parties agree otherwise.

4. LOCATION AND COSTS. The arbitrator may decide that an in-person hearing is unnecessary and that he or she can resolve the Claim based on the papers submitted by the parties and/or through a telephone hearing. However, any arbitration hearing that you attend will take place in a location that is reasonably convenient for you. We will consider any good faith request you make for us to pay the administrator's or arbitrator's filing, administrative, hearing and/or other fees if you cannot obtain a waiver of such fees from the administrator and we will not seek or accept reimbursement of any such fees. We will also pay any fees or expenses we are required by law to pay or that we must pay in order for this Arbitration Provision to be enforced. Each party must normally pay for its own attorneys, experts and witnesses. However, we will pay all such reasonable fees and costs you incur if you are the prevailing party and/or where required by applicable law and/or the administrator's rules. The arbitrator shall not limit the attorneys' fees and costs to which you are entitled because your Claim is for a small amount. Also, to the extent permitted by applicable law and provided in any Services Agreement, you will pay any reasonable attorneys' fees, collection costs and arbitration fees and costs we incur if we prevail in an arbitration in which we seek to recover any amount owed by you to us under the Services Agreement.

5. NO CLASS ACTIONS OR SIMILAR PROCEEDINGS; SPECIAL FEATURES OF ARBITRATION. IF YOU OR WE ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO: (A) HAVE A COURT OR A JURY DECIDE THE CLAIM; (B) OBTAIN INFORMATION PRIOR TO THE HEARING TO THE SAME EXTENT THAT YOU OR WE COULD IN COURT; (C) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR CLASS OPPONENT; (D) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (E) JOIN OR CONSOLIDATE CLAIM(S) INVOLVING YOU WITH CLAIMS INVOLVING ANY OTHER PERSON. THE RIGHT TO APPEAL IS MORE LIMITED IN ARBITRATION THAN IN COURT. OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

6. GETTING INFORMATION. In addition to the parties' rights under the administrator's rules to obtain information prior to the hearing, either party may ask the arbitrator for more information from the other party. The arbitrator will decide the issue in his or her sole discretion, after allowing the other party the opportunity to object.

7. EFFECT OF ARBITRATION AWARD. Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's award will be final and binding, except for: (1) any appeal right under the Federal Arbitration Act, 9 U.S.C. §1, *et seq.* (the "FAA"); and (2) Claims involving more than \$50,000. For Claims involving more than \$50,000, any party may appeal the award to a three-arbitrator panel appointed by the administrator, which will reconsider *de novo* any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. Unless applicable law provides otherwise, the appealing party will pay the appeal's costs, regardless of its outcome. However, we will consider any good faith request for us to bear the cost and will pay any amount that we must pay under applicable law or the administrator's rules and any amount that we must pay in order for this Arbitration Provision to be enforced.

8. GOVERNING LAW. This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA, and not Federal or state rules of civil procedure or evidence or any state laws that pertain specifically to arbitration, provided that the law of Kansas, where we are headquartered, shall be applicable to the extent that any state law is relevant in determining the enforceability of this Arbitration Provision under Section 2 of the FAA. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and applicable privilege rules, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. In addition, if you prevail in an individual (non-class) arbitration against us in which you are seeking monetary relief from us, we agree that the arbitrator shall award as the minimum amount of your damages (excluding arbitration fees and attorneys' fees and costs, if any) an amount that is \$100 greater than the jurisdictional limit of the small claims court (or your state's equivalent court) in the county in which you reside. For example, if such a court can decide claims up to \$5,000, then if you prevail in an individual arbitration, you will receive a minimum of \$5,100 even if the amount you would otherwise be entitled to receive is less than that amount. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator will follow rules of procedure and evidence consistent with the FAA, this Arbitration Provision and the administrator's rules.

9. SURVIVAL, SEVERABILITY, PRIMACY. This Arbitration Provision shall survive the full payment of any amounts due under any Services Agreement; any proper rescission or cancellation of any Services Agreements; any exercise of a self-help remedy; our sale or transfer of any Services Agreement or our rights under any Services Agreement; any legal proceeding by us to collect a debt owed by you; and your (or our) bankruptcy. If any part of this Arbitration Provision cannot be enforced, the rest of this Arbitration Provision will continue to apply; provided, however, that if Section 5(C), (D) and/or (E) is declared invalid in a proceeding between you and us, without

in any way impairing the right to appeal such decision, this entire Arbitration Provision (other than this sentence) shall be null and void in such proceeding. In the event of any conflict or inconsistency between this Arbitration Provision and the administrator's rules or the rest of any Services Agreement, this Arbitration Provision will govern. If you and we are a party to any other arbitration or dispute resolution agreement in connection with prior Services, this Arbitration Provision will supersede such prior arbitration agreement.

10. BREACH OF ARBITRATION AGREEMENT. If either party fails to submit to arbitration following a proper demand to do so and a court later orders arbitration, to the extent permitted by law that party shall bear all costs and expenses including reasonable attorneys' fees, incurred by the other party in seeking to compel arbitration.

JURY TRIAL WAIVER

YOU AND WE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, YOU AND WE, AFTER HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT. THIS JURY TRIAL WAIVER SHALL NOT AFFECT OR BE INTERPRETED AS MODIFYING IN ANY FASHION ANY SEPARATE ARBITRATION PROVISION BETWEEN YOU AND US, WHICH CONTAINS ITS OWN SEPARATE JURY TRIAL WAIVER.

Important Notices

BY SIGNING THIS AGREEMENT OR APPLYING FOR A LOAN:

- YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ENTITLED TO HAVE A COURT, OTHER THAN A SMALL CLAIMS COURT OR JUSTICE COURT, RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ABLE TO BRING, JOIN OR PARTICIPATE IN ANY CLASS ACTION LAWSUIT AGAINST US.

By signing below, you acknowledge and affirm that: (1) you have received and read a copy of this Agreement, (2) you agree to the above terms and to the Agreements for Resolving Disputes, (3) there are no blank spaces appearing on this Agreement and (4) you represent that the "Amount Financed" as shown above, together with any other outstanding loans you have with us, does not exceed twenty-five percent of your expected monthly gross income.


Customer Signature(s)

5/24/2008
Date

By 
Rapid Cash Representative

5/24/2008
Date

690000

690000

EXHIBIT F

Deferred Deposit Agreement & Disclosure Statement

Customer: EUGENE VARCADOS
701 WHEAT RIDGE LN APT # 101
LAS VEGAS, NV 89145

Lender: Advance Group Inc. dba Rapid Cash
2710A S. Maryland Pkwy
Las Vegas, NV 89109
(702)866-2648

Check Number: 1013 Check Amount: \$588.24 Agreement Date 06/06/08 Due Date (Date of Check): 06/21/08

ITEMIZATION OF AMOUNT FINANCED OF \$500.00
New Applicant Fee..... \$0.00
Amount Paid Directly To You \$0.00
Amount Paid On Your Account..... \$500.00

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.
429.43%	\$88.24	\$500.00	\$588.24

Payment Schedule: One payment in the amount of \$588.24, due on 06/21/08

Prepayment: If you pay off early, you will not be entitled to a refund of any part of the finance charge. See the information below about nonpayment and default.

No Security Interest. No security interest is given or taken in connection with this transaction except other than any security in your Check that may arise by operation of law.

AGREEMENT

This Agreement contains important terms and conditions affecting your loan. Read it carefully before you sign it.

Definitions. Certain words used in this Agreement have special meanings. The word "Agreement" means this Deferred Deposit Agreement & Disclosure Statement. The words "you" and "your" means the person signing this Agreement. The words "we," "us" and "our" mean Advance Group, Inc., Principal Investments, Inc. or FMMR Investments, Inc. each doing business as Rapid Cash. The word "loan" means the deferred deposit transaction governed by this Agreement. The words "due date" mean the due date shown above and in the Payment Schedule shown in the box above. The boxed-in disclosures above are part of the terms and conditions of your Agreement with us.

Promise to Pay. You promise to pay us the "Total of Payments" in the box above, which includes a Finance Charge, on the due date.

Deferred Deposit. You are giving us your personal check, identified above by check number. We will not deposit your check until the due date. You promise that on the due date, you will have enough money available in your account to repay your loan. You promise that you will not close your account or place a stop payment on the check.

Our Fee. Our single charge fee for making the loan appears in the box above and is expressed as a dollar amount (Finance Charge) and an Annual Percentage Rate. The Annual Percentage Rate above is based upon that fee being an add-on finance charge, which is fully earned by us as of the date of this Agreement.

No Collateral. We are not allowed to accept any collateral except other than any security interest in your Check that may arise by operation of law.

Extensions. At any time prior to the due date, you may request an extension of this loan. We may grant or deny your request in our sole discretion. If we grant your request, you will be required to pay the Finance Charge shown above and sign a new Deferred Deposit Agreement. You will be required to pay your loan in full, including an additional Finance Charge, on the new due date. The terms of the extension, including the additional finance charge, will be described in the new Deferred Deposit Agreement. You agree to provide us a new check for the balance due on the new due date. The due date for any extension cannot be later than 60 days from the date the original loan was due.

Option to Rescind. You may cancel this loan without paying the Finance Charge. To do so, you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash. If we receive your payment on time, we will return your check and cancel your loan.

Prepayment. You may prepay your Loan in full or in part with no additional charge. If you pay off early, you will not be entitled to a refund of any part of the finance charge. The finance charge constitutes a single charge for making the loan. Any partial payments you make will be applied first to fees and costs, then to finance charges, then to principal.

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Electronic Check Deposit. The check that you have given to us for payment of your obligation under this Agreement may be presented to your bank as an Electronic Funds Transfers ("EFT") through the Automated Clearing House (ACH) network. We may initiate a debit entry to your checking account in order to receive payment. We may do so where the check is lost, misplaced or destroyed or it is more practical to conduct an EFT rather than deposit your check. In other circumstances, we may process your payment and deposit your check. In cases where we utilize an EFT for payment, funds may be withdrawn from your account quickly sometimes the same date as your loan is due and you will not receive your check back from your financial institution. By signing this Agreement, you authorize us to electronically deposit and collect on your check in the amount of the Total of Payments shown in this Agreement. Your authorization to EFT your account will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice.

Nonpayment and Default. You will be in default if the Total of Payments is not paid in full by the due date. If you default on your obligations, in addition to the amounts you owe us, we may charge you interest for 90 days from the date of your default at the rate equal to the prime rate of the largest bank in the State of Nevada (as ascertained by the Nevada Commissioner of Financial Institutions), plus ten percent. If your payment either by check or EFT is not paid upon presentment because of NSF or Account Closed you will be charged a return check charge of \$25.00. If you default on this loan you have the opportunity within 30 days of the default to enter into a repayment plan with a term of at least 90 days. We will offer the repayment plan to you before we commence any civil action or process of alternative dispute resolution.

Authorizations to Collect Debt Upon Default. You authorize us to withdraw from your bank account the amount you owe us according to this or any former Agreement. We may make this withdrawal by re-presenting your check electronically, and/or by using one or more, in varied amounts paper or EFT debits not to exceed the amount owed to us. Your EFT debit authorization extends to the bank account listed on your original check or any other bank account maintained by you wherever located. If you provide us with a Visa or MasterCard check, debit or credit card (collectively the "Card") you also authorized us, denoted by your signature on this Agreement to charge, submit and collect all amounts due to us. We may submit these charges to your Card one or more times until the total amount owed to us is paid in full. Your authorization to ACH and to charge your Card will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice. We may not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize the above collection of the Total of Payments by electronic means from your bank account and Card. You may withdraw such voluntary consent by writing to us at our business address set forth above.

Offset. You agree that by law and this Agreement we or our agents may offset (deduct) any sums owed to us from any checks presented to us now or in the future for cashing. The amount owed to us includes any legitimate reason including, but not limited to, returned checks, return check charges, defaulted loans or additional collection costs that you have incurred with us or one of our affiliates.

Credit Reporting. You agree that we may make inquiries concerning your credit history and standing, and we may report information concerning your performance under this Agreement to credit reporting agencies.

Telephone Calls - Monitoring: You agree that if you are past due or in default, you will accept calls from us regarding the collection of your Account. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for purposes of state and federal law. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer service.

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PRIVACY POLICY

Notice of Your Financial Privacy Rights

We respect the privacy of our customers and are committed to treating customer information responsibly. This Notice of Privacy Policy is for Tiger Financial Management, LLC., all of the family of companies doing business as Speedy Cash® or Rapid Cash™, and their related or affiliated companies. This Notice describes the type of information we collect, how we might disclose that information and the steps we take to protect it.

A. NON-DISCLOSURE POLICY AND SECURITY. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

B. CATEGORIES OF INFORMATION WE COLLECT. We collect nonpublic personal information from the following sources: information we receive from you on applications or other forms, such as social security number, banking and credit history and income; information about your transactions within the Speedy /Rapid Cash /AAA Title Loan group of companies, or others; information we receive from consumer credit reporting agencies or similar companies; and information we receive from other nonaffiliated third parties, such as your bank.

C. CATEGORIES OF INFORMATION WE DISCLOSE. We may disclose all the information we collect, as described above, to our companies and to nonaffiliated third parties in accordance with applicable law and unaffiliated third parties provided you have not opted out of such disclosure.

D. CATEGORIES OF AFFILIATES and THIRD PARTIES TO WHOM WE DISCLOSE. Affiliates: The Speedy / Rapid Cash / AAA Title Loan group of companies; Third Parties: Entities who process or administer a financial transaction requested or authorized by you; Consumer Credit Reporting Agencies to which we permitted under law and banks, credit card companies and other financial service providers with whom you have a contractual relationship and federal, state and local governmental departments that require us to disclose the information or where disclosure concerns fraud, theft or criminal activity; other third parties that are permitted under 16 CFR 313.15; and, Unaffiliated Third Parties such as financial service providers such as banks, mortgage companies, banks, money service businesses and insurance companies.

E. NON-AFFILIATED THIRD PARTIES AND OPT OUT PROCEDURE. To inform you of product and service opportunities that may be of interest to you, we may share all of the nonpublic personal information that we obtain about you, as described above, with non-affiliated third parties such as financial service providers such as credit card issuers, finance companies, money service businesses, banks, and mortgage companies.

You may request that we not share this information with such nonaffiliated third parties by "opting out" as described in the Opt Out section of this Privacy Policy.

How to Opt Out or Stop Certain Disclosures About You:

If you prefer that we do not disclose nonpublic personal information about you to nonaffiliated third parties you may opt out of those disclosures (other than disclosures permitted by law). If you wish to opt out of the disclosures to nonaffiliated third parties, write to us at:

Speedy / Rapid Cash / Privacy Opt Out / 3811 North Ridge Road
Wichita, Kansas 67205

You may opt out of these disclosures at any time. This opt out, by law, will not apply to disclosures that are legally permitted or disclosure we make to companies that perform services on our behalf or to other financial institutions that have joint marketing agreements with us. Once we receive your request, we have a reasonable amount of time to stop the disclosures. You may always contact us for assistance if you wish to later revoke your opt out election.

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Agreements for Resolving Disputes: You agree to the Agreements for Resolving Disputes in this Agreement. Except as otherwise provided in the Agreements for Resolving Disputes, this Agreement will be governed by the laws of the State of Nevada. If any part of this Agreement is found to be unenforceable, that part will be deemed severed from the Agreement, and the remaining provisions will be enforced to the fullest extent allowed by law.

Agreements for Resolving Disputes

PRE-DISPUTE RESOLUTION PROCEDURE

In the event that you or we have a claim that arises from or relates to any check cashing, credit, loan or other services you request or we provide ("Services"), before commencing, joining or participating in any judicial or arbitration proceeding, as either an individual litigant or member of a class ("Proceeding"), the complaining party shall give the other party or any "related party": (1) at least 15 days' written notice of the claim ("Claim Notice"), explaining in reasonable detail the nature of the claim and any supporting facts; and (2) a reasonable good faith opportunity to resolve the claim without the necessity of a Proceeding. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); and our and their employees, directors, officers, shareholders, governors, managers and members. Any Claim Notice to us shall be sent in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205 (or such other address as we shall subsequently provide to you) or to you at your address appearing in our records or, if you are represented by an attorney, to your attorney at his or her office address. Nothing in this paragraph is intended to affect or modify in any fashion any separate Arbitration Provision between you and us.

ARBITRATION PROVISION

VERY IMPORTANT. READ THIS ARBITRATION PROVISION CAREFULLY. IT SETS FORTH WHEN AND HOW CLAIMS (AS DEFINED IN SECTION 2 BELOW) WHICH YOU OR WE HAVE AGAINST ONE ANOTHER WILL BE ARBITRATED INSTEAD OF LITIGATED IN COURT. IF YOU DON'T REJECT THIS ARBITRATION PROVISION IN ACCORDANCE WITH SECTION 1 BELOW, UNLESS PROHIBITED BY APPLICABLE LAW, IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY IN WHICH YOU OR WE RESOLVE ANY CLAIM WHICH YOU OR WE HAVE AGAINST EACH OTHER NOW OR IN THE FUTURE.

Unless prohibited by applicable law and unless you reject the Arbitration Provision in accordance with Section 1 below, you and we agree that either party may elect to require arbitration of any Claim under the following terms and conditions:

1. RIGHT TO REJECT ARBITRATION. If you do not want this Arbitration Provision to apply, you may reject it within 30 days after the date of your application ("Application") for check cashing, credit, loan or other services from us ("Services") (by delivering to us at any of our offices or by mailing to us in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205, a written rejection notice which provides your name, address, the date of the Application, the address of the store where you submitted the Application and states that you are rejecting the related Arbitration Provision. If you want proof of the date of such a notice, you should send the notice by "certified mail, return receipt requested." If you use such a method, we will reimburse you for the postage upon your request. Nobody else can reject arbitration for you; this is the only way you can reject arbitration. Your rejection of arbitration will not affect your right to Services or the terms of Services. If you reject this Arbitration Provision, it shall have the effect of rejecting any prior arbitration provision or agreement between you and us that you did not have the right to reject; it will not affect any prior arbitration provision or agreement which you had a right to reject that you did not exercise.

2. DEFINITION OF "CLAIM". The term "Claim" means any claim, dispute or controversy between you and us (including "related parties" identified below) that arises from or relates in any way to Services you request or we provide, now, in the past or in the future; the Application (or any prior or future application); any agreement relating to Services ("Services Agreement"); any of our marketing, advertising, solicitations and conduct relating to your request for Services; our collection of any amounts you owe; our disclosure of or failure to protect any information about you; or the validity, enforceability or scope of this Arbitration Provision. "Claim" is to be given the broadest possible meaning and includes claims of every kind and nature, including but not limited to, initial claims, counterclaims, cross-claims and third-party claims, and claims based on any constitution, statute, regulation, ordinance, common law rule (including rules relating to contracts, negligence, fraud or other intentional wrongs) and equity. It includes disputes that seek relief of any type, including damages and/or injunctive, declaratory or other equitable relief. Notwithstanding the foregoing, "Claim" does not include any individual action brought by you in small claims court or your state's equivalent court, unless such action is transferred, removed, or appealed to a different court, or any assertion that Section 5(C), (D) and/or (E) below is invalid or unenforceable; any such actions and assertions of this kind will be resolved by a court and not an arbitrator. "Claim" also does not include any "self-help remedy" (that is, any steps taken to enforce rights without a determination by a court or arbitrator, for example, repossession and/or re-titling of a motor vehicle) or any individual action by you or us to prevent the other party from using any self-help remedy, so long as such self-help remedy or individual judicial action does not involve a request for monetary relief of any kind. Even if all parties have elected to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or any new Claim asserted in that lawsuit, and nothing in that litigation shall constitute a waiver of any rights under this Arbitration Provision. This Arbitration Provision will apply to all Claims, even if the facts and circumstances giving rise to the Claims existed before the effective date of this Arbitration Provision. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); our and their employees, directors, officers, shareholders, governors, managers and members; and any third parties who are parties in a legal proceeding involving you and us.

3. STARTING AN ARBITRATION. Before starting an arbitration (or a judicial proceeding), you or we must comply with any other agreement between you and us providing a right to notice of a claim and/or a right to attempt to resolve the claim without litigation or arbitration. To start an arbitration, you or we must give written notice of an election to arbitrate. This notice may be given after a lawsuit has been filed and may be given in papers or motions in the lawsuit. If such a notice is given, unless prohibited by applicable law, the Claim shall be resolved by arbitration under this Arbitration Provision and the applicable rules of the arbitration administrator then in effect. You must select the administrator when you give us notice that you want to arbitrate a claim or within 20 days after we give you such a notice. If you don't make a selection, we will. The administrator must be either the National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405, www.arb-forum.com, (800) 474-2371; or the American Arbitration Association, 1633 Broadway, 10th Floor, New York NY 10019, www.adr.org, (800) 778-7879. The arbitrator will be selected under the administrator's rules, except that the arbitrator must be a lawyer with at least ten years of experience or a retired judge unless the parties agree otherwise.

4. LOCATION AND COSTS. The arbitrator may decide that an in-person hearing is unnecessary and that he or she can resolve the Claim based on the papers submitted by the parties and/or through a telephone hearing. However, any arbitration hearing that you attend will take place in a location that is reasonably convenient for you. We will consider any good faith request you make for us to pay the administrator's or arbitrator's filing, administrative, hearing and/or other fees if you cannot obtain a waiver of such fees from the administrator and we will not seek or accept reimbursement of any such fees. We will also pay any fees or expenses we are required by law to pay or that we must pay in order for this Arbitration Provision to be enforced. Each party must normally pay for its own attorneys, experts and witnesses. However, we will pay all such reasonable fees and costs you incur if you are the prevailing party and/or where required by applicable law and/or the administrator's rules. The arbitrator shall not limit the attorneys' fees and costs to which you are entitled because your Claim is for a small amount. Also, to the extent permitted by applicable law and provided in any Services Agreement, you will pay any reasonable attorneys' fees, collection costs and arbitration fees and costs we incur if we prevail in an arbitration in which we seek to recover any amount owed by you to us under the Services Agreement.

5. NO CLASS ACTIONS OR SIMILAR PROCEEDINGS; SPECIAL FEATURES OF ARBITRATION. IF YOU OR WE ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO: (A) HAVE A COURT OR A JURY DECIDE THE CLAIM; (B) OBTAIN INFORMATION PRIOR TO THE HEARING TO THE SAME EXTENT THAT YOU OR WE COULD IN COURT; (C) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR CLASS OPPONENT; (D) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (E) JOIN OR CONSOLIDATE CLAIM(S) INVOLVING YOU WITH CLAIMS INVOLVING ANY OTHER PERSON. THE RIGHT TO APPEAL IS MORE LIMITED IN ARBITRATION THAN IN COURT. OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

6. GETTING INFORMATION. In addition to the parties' rights under the administrator's rules to obtain information prior to the hearing, either party may ask the arbitrator for more information from the other party. The arbitrator will decide the issue in his or her sole discretion, after allowing the other party the opportunity to object.

7. EFFECT OF ARBITRATION AWARD. Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's award will be final and binding, except for: (1) any appeal right under the Federal Arbitration Act, 9 U.S.C. §1, *et seq.* (the "FAA"); and (2) Claims involving more than \$50,000. For Claims involving more than \$50,000, any party may appeal the award to a three-arbitrator panel appointed by the administrator, which will reconsider *de novo* any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. Unless applicable law provides otherwise, the appealing party will pay the appeal's costs, regardless of its outcome. However, we will consider any good faith request for us to bear the cost and will pay any amount that we must pay under applicable law or the administrator's rules and any amount that we must pay in order for this Arbitration Provision to be enforced.

8. GOVERNING LAW. This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA, and not Federal or state rules of civil procedure or evidence or any state laws that pertain specifically to arbitration, provided that the law of Kansas, where we are headquartered, shall be applicable to the extent that any state law is relevant in determining the enforceability of this Arbitration Provision under Section 2 of the FAA. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and applicable privilege rules, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. In addition, if you prevail in an individual (non-class) arbitration against us in which you are seeking monetary relief from us, we agree that the arbitrator shall award as the minimum amount of your damages (excluding arbitration fees and attorneys' fees and costs, if any) an amount that is \$100 greater than the jurisdictional limit of the small claims court (or your state's equivalent court) in the county in which you reside. For example, if such a court can decide claims up to \$5,000, then if you prevail in an individual arbitration, you will receive a minimum of \$5,100 even if the amount you would otherwise be entitled to receive is less than that amount. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator will follow rules of procedure and evidence consistent with the FAA, this Arbitration Provision and the administrator's rules.

9. SURVIVAL, SEVERABILITY, PRIMACY. This Arbitration Provision shall survive the full payment of any amounts due under any Services Agreement; any proper rescission or cancellation of any Services Agreements; any exercise of a self-help remedy; our sale or transfer of any Services Agreement or our rights under any Services Agreement; any legal proceeding by us to collect a debt owed by you; and your (or our) bankruptcy. If any part of this Arbitration Provision cannot be enforced, the rest of this Arbitration Provision will continue to apply; provided, however, that if Section 5(C), (D) and/or (E) is declared invalid in a proceeding between you and us, without

in any way impairing the right to appeal such decision, this entire Arbitration Provision (other than this sentence) shall be null and void in such proceeding. In the event of any conflict or inconsistency between this Arbitration Provision and the administrator's rules or the rest of any Services Agreement, this Arbitration Provision will govern. If you and we are a party to any other arbitration or dispute resolution agreement in connection with prior Services, this Arbitration Provision will supersede such prior arbitration agreement.

10. BREACH OF ARBITRATION AGREEMENT. If either party fails to submit to arbitration following a proper demand to do so and a court later orders arbitration, to the extent permitted by law that party shall bear all costs and expenses including reasonable attorneys' fees, incurred by the other party in seeking to compel arbitration.

JURY TRIAL WAIVER


YOU AND WE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, YOU AND WE, AFTER HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT. THIS JURY TRIAL WAIVER SHALL NOT AFFECT OR BE INTERPRETED AS MODIFYING IN ANY FASHION ANY SEPARATE ARBITRATION PROVISION BETWEEN YOU AND US, WHICH CONTAINS ITS OWN SEPARATE JURY TRIAL WAIVER.

Important Notices

BY SIGNING THIS AGREEMENT OR APPLYING FOR A LOAN:

- YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ENTITLED TO HAVE A COURT, OTHER THAN A SMALL CLAIMS COURT OR JUSTICE COURT, RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ABLE TO BRING, JOIN OR PARTICIPATE IN ANY CLASS ACTION LAWSUIT AGAINST US.

By signing below, you acknowledge and affirm that: (1) you have received and read a copy of this Agreement, (2) you agree to the above terms and to the Agreements for Resolving Disputes, (3) there are no blank spaces appearing on this Agreement and (4) you represent that the "Amount Financed" as shown above, together with any other outstanding loans you have with us, does not exceed twenty-five percent of your expected monthly gross income.


Customer Signature(s) 6/6/2008
Date

By  6/6/2008
Rapid Cash Representative Date

EXHIBIT G

Deferred Deposit Agreement & Disclosure Statement

Customer: **EUGENE VARCADOS**
701 WHEAT RIDGE LN APT # 101
LAS VEGAS, NV 89145

Lender: **Advance Group Inc. dba Rapid Cash**
2710A S. Maryland Pkwy
Las Vegas, NV 89109
(702)868-2648

Check Number: 1015 Check Amount: \$588.24 Agreement Date 06/21/08 Due Date (Date of Check): 07/05/08

ITEMIZATION OF AMOUNT FINANCED OF \$500.00
 New Applicant Fee..... \$0.00
 Amount Paid Directly To You \$0.00
 Amount Paid On Your Account..... \$500.00

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.
460.11%	\$88.24	\$500.00	\$588.24

Payment Schedule: One payment in the amount of \$588.24, due on 07/05/08
 (Month) (Day) (Year)

Prepayment: If you pay off early, you will not be entitled to a refund of any part of the finance charge. See the information below about nonpayment and default.

No Security Interest. No security interest is given or taken in connection with this transaction except other than any security in your Check that may arise by operation of law.

AGREEMENT

This Agreement contains important terms and conditions affecting your loan. *Read it carefully before you sign it.*

Definitions. Certain words used in this Agreement have special meanings. The word "Agreement" means this Deferred Deposit Agreement & Disclosure Statement. The words "you" and "your" means the person signing this Agreement. The words "we," "us" and "our" mean Advance Group, Inc., Principal Investments, Inc. or FMMR Investments, Inc. each doing business as Rapid Cash. The word "loan" means the deferred deposit transaction governed by this Agreement. The words "due date" mean the due date shown above and in the Payment Schedule shown in the box above. The boxed-in disclosures above are part of the terms and conditions of your Agreement with us.

Promise to Pay. You promise to pay us the "Total of Payments" in the box above, which includes a Finance Charge, on the due date.

Deferred Deposit. You are giving us your personal check, identified above by check number. We will not deposit your check until the due date. You promise that on the due date, you will have enough money available in your account to repay your loan. You promise that you will not close your account or place a stop payment on the check.

Our Fee. Our single charge fee for making the loan appears in the box above and is expressed as a dollar amount (Finance Charge) and an Annual Percentage Rate. The Annual Percentage Rate above is based upon that fee being an add-on finance charge, which is fully earned by us as of the date of this Agreement.

No Collateral. We are not allowed to accept any collateral except other than any security interest in your Check that may arise by operation of law.

Extensions. At any time prior to the due date, you may request an extension of this loan. We may grant or deny your request in our sole discretion. If we grant your request, you will be required to pay the Finance Charge shown above and sign a new Deferred Deposit Agreement. You will be required to pay your loan in full, including an additional Finance Charge, on the new due date. The terms of the extension, including the additional finance charge, will be described in the new Deferred Deposit Agreement. You agree to provide us a new check for the balance due on the new due date. The due date for any extension cannot be later than 60 days from the date the original loan was due.

Option to Rescind. You may cancel this loan without paying the Finance Charge. To do so, you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash. If we receive your payment on time, we will return your check and cancel your loan.

Prepayment. You may prepay your Loan in full or in part with no additional charge. If you pay off early, you will not be entitled to a refund of any part of the finance charge. The finance charge constitutes a single charge for making the loan. Any partial payments you make will be applied first to fees and costs, then to finance charges, then to principal.

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Electronic Check Deposit. The check that you have given to us for payment of your obligation under this Agreement may be presented to your bank as an Electronic Funds Transfers ("EFT") through the Automated Clearing House (ACH) network. We may initiate a debit entry to your checking account in order to receive payment. We may do so where the check is lost, misplaced or destroyed or it is more practical to conduct an EFT rather than deposit your check. In other circumstances, we may process your payment and deposit your check. In cases where we utilize an EFT for payment, funds may be withdrawn from your account quickly sometimes the same date as your loan is due and you will not receive your check back from your financial institution. By signing this Agreement, you authorize us to electronically deposit and collect on your check in the amount of the Total of Payments shown in this Agreement. Your authorization to EFT your account will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice.

Nonpayment and Default. You will be in default if the Total of Payments is not paid in full by the due date. If you default on your obligations, in addition to the amounts you owe us, we may charge you interest for 90 days from the date of your default at the rate equal to the prime rate of the largest bank in the State of Nevada (as ascertained by the Nevada Commissioner of Financial Institutions), plus ten percent. If your payment either by check or EFT is not paid upon presentment because of NSF or Account Closed you will be charged a return check charge of \$25.00. If you default on this loan you have the opportunity within 30 days of the default to enter into a repayment plan with a term of at least 90 days. We will offer the repayment plan to you before we commence any civil action or process of alternative dispute resolution.

Authorizations to Collect Debt Upon Default. You authorize us to withdraw from your bank account the amount you owe us according to this or any former Agreement. We may make this withdrawal by re-presenting your check electronically, and/or by using one or more, in varied amounts paper or EFT debits not to exceed the amount owed to us. Your EFT debit authorization extends to the bank account listed on your original check or any other bank account maintained by you wherever located. If you provide us with a Visa or MasterCard check, debit or credit card (collectively the "Card") you also authorized us, denoted by your signature on this Agreement to charge, submit and collect all amounts due to us. We may submit these charges to your Card one or more times until the total amount owed to us is paid in full. Your authorization to ACH and to charge your Card will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice. We may not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize the above collection of the Total of Payments by electronic means from your bank account and Card. You may withdraw such voluntary consent by writing to us at our business address set forth above.

Offset. You agree that by law and this Agreement we or our agents may offset (deduct) any sums owed to us from any checks presented to us now or in the future for cashing. The amount owed to us includes any legitimate reason including, but not limited to, returned checks, return check charges, defaulted loans or additional collection costs that you have incurred with us or one of our affiliates.

Credit Reporting. You agree that we may make inquiries concerning your credit history and standing, and we may report information concerning your performance under this Agreement to credit reporting agencies.

Telephone Calls -- Monitoring: You agree that if you are past due or in default, you will accept calls from us regarding the collection of your Account. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for purposes of state and federal law. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer service.

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PRIVACY POLICY

Notice of Your Financial Privacy Rights

We respect the privacy of our customers and are committed to treating customer information responsibly. This Notice of Privacy Policy is for Tiger Financial Management, LLC., all of the family of companies doing business as Speedy Cash® or Rapid Cash™, and their related or affiliated companies. This Notice describes the type of information we collect, how we might disclose that information and the steps we take to protect it.

A. NON-DISCLOSURE POLICY AND SECURITY. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

B. CATEGORIES OF INFORMATION WE COLLECT. We collect nonpublic personal information from the following sources: information we receive from you on applications or other forms, such as social security number, banking and credit history and income; information about your transactions within the Speedy /Rapid Cash /AAA Title Loan group of companies, or others; information we receive from consumer credit reporting agencies or similar companies; and information we receive from other nonaffiliated third parties, such as your bank.

C. CATEGORIES OF INFORMATION WE DISCLOSE. We may disclose all the information we collect, as described above, to our companies and to nonaffiliated third parties in accordance within applicable law and unaffiliated third parties provided you have not opted out of such disclosure.

D. CATEGORIES OF AFFILIATES and THIRD PARTIES TO WHOM WE DISCLOSE. Affiliates: The Speedy / Rapid Cash / AAA Title Loan group of companies; Third Parties: Entities who process or administer a financial transaction requested or authorized by you; Consumer Credit Reporting Agencies to which we permitted under law and banks, credit card companies and other financial service providers with whom you have a contractual relationship and federal, state and local governmental departments that require us to disclose the information or where disclosure concerns fraud, theft or criminal activity; other third parties that are permitted under 16 CFR 313.15; and, Unaffiliated Third Parties such as financial service providers such as banks, mortgage companies, banks, money service businesses and insurance companies.

E. NON-AFFILIATED THIRD PARTIES AND OPT OUT PROCEDURE. To inform you of product and service opportunities that may be of interest to you, we may share all of the nonpublic personal information that we obtain about you, as described above, with non-affiliated third parties such as financial service providers such as credit card issuers, finance companies, money service businesses, banks, and mortgage companies.

You may request that we not share this information with such nonaffiliated third parties by "opting out" as described in the Opt Out section of this Privacy Policy.

How to Opt Out or Stop Certain Disclosures About You:

If you prefer that we do not disclose nonpublic personal information about you to nonaffiliated third parties you may opt out of those disclosures (other than disclosures permitted by law). If you wish to opt out of the disclosures to nonaffiliated third parties, write to us at:

Speedy / Rapid Cash / Privacy Opt Out / 3811 North Ridge Road
Wichita, Kansas 67205

You may opt out of these disclosures at any time. This opt out, by law, will not apply to disclosures that are legally permitted or disclosure we make to companies that perform services on our behalf or to other financial institutions that have joint marketing agreements with us. Once we receive your request, we have a reasonable amount of time to stop the disclosures. You may always contact us for assistance if you wish to later revoke your opt out election.

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Agreements for Resolving Disputes: You agree to the Agreements for Resolving Disputes in this Agreement. Except as otherwise provided in the Agreements for Resolving Disputes, this Agreement will be governed by the laws of the State of Nevada. If any part of this Agreement is found to be unenforceable, that part will be deemed severed from the Agreement, and the remaining provisions will be enforced to the fullest extent allowed by law.

Agreements for Resolving Disputes

PRE-DISPUTE RESOLUTION PROCEDURE

In the event that you or we have a claim that arises from or relates to any check cashing, credit, loan or other services you request or we provide ("Services"), before commencing, joining or participating in any judicial or arbitration proceeding, as either an individual litigant or member of a class ("Proceeding"), the complaining party shall give the other party or any "related party": (1) at least 15 days' written notice of the claim ("Claim Notice"), explaining in reasonable detail the nature of the claim and any supporting facts; and (2) a reasonable good faith opportunity to resolve the claim without the necessity of a Proceeding. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); and our and their employees, directors, officers, shareholders, governors, managers and members. Any Claim Notice to us shall be sent in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205 (or such other address as we shall subsequently provide to you) or to you at your address appearing in our records or, if you are represented by an attorney, to your attorney at his or her office address. Nothing in this paragraph is intended to affect or modify in any fashion any separate Arbitration Provision between you and us.

ARBITRATION PROVISION

VERY IMPORTANT. READ THIS ARBITRATION PROVISION CAREFULLY. IT SETS FORTH WHEN AND HOW CLAIMS (AS DEFINED IN SECTION 2 BELOW) WHICH YOU OR WE HAVE AGAINST ONE ANOTHER WILL BE ARBITRATED INSTEAD OF LITIGATED IN COURT. IF YOU DON'T REJECT THIS ARBITRATION PROVISION IN ACCORDANCE WITH SECTION 1 BELOW, UNLESS PROHIBITED BY APPLICABLE LAW, IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY IN WHICH YOU OR WE RESOLVE ANY CLAIM WHICH YOU OR WE HAVE AGAINST EACH OTHER NOW OR IN THE FUTURE.

Unless prohibited by applicable law and unless you reject the Arbitration Provision in accordance with Section 1 below, you and we agree that either party may elect to require arbitration of any Claim under the following terms and conditions:

1. RIGHT TO REJECT ARBITRATION. If you do not want this Arbitration Provision to apply, you may reject it within 30 days after the date of your application ("Application") for check cashing, credit, loan or other services from us ("Services") [by delivering to us at any of our offices or] by mailing to us in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205, a written rejection notice which provides your name, address, the date of the Application, the address of the store where you submitted the Application and states that you are rejecting the related Arbitration Provision. If you want proof of the date of such a notice, you should send the notice by "certified mail, return receipt requested." If you use such a method, we will reimburse you for the postage upon your request. Nobody else can reject arbitration for you; this is the only way you can reject arbitration. Your rejection of arbitration will not affect your right to Services or the terms of Services. If you reject this Arbitration Provision, it shall have the effect of rejecting any prior arbitration provision or agreement between you and us that you did not have the right to reject; it will not affect any prior arbitration provision or agreement which you had a right to reject that you did not exercise.

2. DEFINITION OF "CLAIM". The term "Claim" means any claim, dispute or controversy between you and us (including "related parties" identified below) that arises from or relates in any way to Services you request or we provide, now, in the past or in the future; the Application (or any prior or future application); any agreement relating to Services ("Services Agreement"); any of our marketing, advertising, solicitations and conduct relating to your request for Services; our collection of any amounts you owe; our disclosure of or failure to protect any information about you; or the validity, enforceability or scope of this Arbitration Provision. "Claim" is to be given the broadest possible meaning and includes claims of every kind and nature, including but not limited to, initial claims, counterclaims, cross-claims and third-party claims, and claims based on any constitution, statute, regulation, ordinance, common law rule (including rules relating to contracts, negligence, fraud or other intentional wrongs) and equity. It includes disputes that seek relief of any type, including damages and/or injunctive, declaratory or other equitable relief. Notwithstanding the foregoing, "Claim" does not include any individual action brought by you in small claims court or your state's equivalent court, unless such action is transferred, removed, or appealed to a different court, or any assertion that Section 5(C), (D) and/or (E) below is invalid or unenforceable; any such actions and assertions of this kind will be resolved by a court and not an arbitrator. "Claim" also does not include any "self-help remedy" (that is, any steps taken to enforce rights without a determination by a court or arbitrator, for example, repossession and/or re-titling of a motor vehicle) or any individual action by you or us to prevent the other party from using any self-help remedy, so long as such self-help remedy or individual judicial action does not involve a request for monetary relief of any kind. Even if all parties have elected to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or any new Claim asserted in that lawsuit, and nothing in that litigation shall constitute a waiver of any rights under this Arbitration Provision. This Arbitration Provision will apply to all Claims, even if the facts and circumstances giving rise to the Claims existed before the effective date of this Arbitration Provision. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); our and their employees, directors, officers, shareholders, governors, managers and members; and any third parties who are parties in a legal proceeding involving you and us.

3. STARTING AN ARBITRATION. Before starting an arbitration (or a judicial proceeding), you or we must comply with any other agreement between you and us providing a right to notice of a claim and/or a right to attempt to resolve the claim without litigation or arbitration. To start an arbitration, you or we must give written notice of an election to arbitrate. This notice may be given after a lawsuit has been filed and may be given in papers or motions in the lawsuit. If such a notice is given, unless prohibited by applicable law, the Claim shall be resolved by arbitration under this Arbitration Provision and the applicable rules of the arbitration administrator then in effect. You must select the administrator when you give us notice that you want to arbitrate a claim or within 20 days after we give you such a notice. If you don't make a selection, we will. The administrator must be either the National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405, www.arb-forum.com, (800) 474-2371; or the American Arbitration Association, 1633 Broadway, 10th Floor, New York NY 10019, www.adr.org, (800) 778-7879. The arbitrator will be selected under the administrator's rules, except that the arbitrator must be a lawyer with at least ten years of experience or a retired judge unless the parties agree otherwise.

4. LOCATION AND COSTS. The arbitrator may decide that an in-person hearing is unnecessary and that he or she can resolve the Claim based on the papers submitted by the parties and/or through a telephone hearing. However, any arbitration hearing that you attend will take place in a location that is reasonably convenient for you. We will consider any good faith request you make for us to pay the administrator's or arbitrator's filing, administrative, hearing and/or other fees if you cannot obtain a waiver of such fees from the administrator and we will not seek or accept reimbursement of any such fees. We will also pay any fees or expenses we are required by law to pay or that we must pay in order for this Arbitration Provision to be enforced. Each party must normally pay for its own attorneys, experts and witnesses. However, we will pay all such reasonable fees and costs you incur if you are the prevailing party and/or where required by applicable law and/or the administrator's rules. The arbitrator shall not limit the attorneys' fees and costs to which you are entitled because your Claim is for a small amount. Also, to the extent permitted by applicable law and provided in any Services Agreement, you will pay any reasonable attorneys' fees, collection costs and arbitration fees and costs we incur if we prevail in an arbitration in which we seek to recover any amount owed by you to us under the Services Agreement.

5. NO CLASS ACTIONS OR SIMILAR PROCEEDINGS; SPECIAL FEATURES OF ARBITRATION. IF YOU OR WE ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO: (A) HAVE A COURT OR A JURY DECIDE THE CLAIM; (B) OBTAIN INFORMATION PRIOR TO THE HEARING TO THE SAME EXTENT THAT YOU OR WE COULD IN COURT; (C) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR CLASS OPPONENT; (D) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (E) JOIN OR CONSOLIDATE CLAIM(S) INVOLVING YOU WITH CLAIMS INVOLVING ANY OTHER PERSON. THE RIGHT TO APPEAL IS MORE LIMITED IN ARBITRATION THAN IN COURT. OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

6. GETTING INFORMATION. In addition to the parties' rights under the administrator's rules to obtain information prior to the hearing, either party may ask the arbitrator for more information from the other party. The arbitrator will decide the issue in his or her sole discretion, after allowing the other party the opportunity to object.

7. EFFECT OF ARBITRATION AWARD. Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's award will be final and binding, except for: (1) any appeal right under the Federal Arbitration Act, 9 U.S.C. §1, *et seq.* (the "FAA"); and (2) Claims involving more than \$50,000. For Claims involving more than \$50,000, any party may appeal the award to a three-arbitrator panel appointed by the administrator, which will reconsider *de novo* any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. Unless applicable law provides otherwise, the appealing party will pay the appeal's costs, regardless of its outcome. However, we will consider any good faith request for us to bear the cost and will pay any amount that we must pay under applicable law or the administrator's rules and any amount that we must pay in order for this Arbitration Provision to be enforced.

8. GOVERNING LAW. This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA, and not Federal or state rules of civil procedure or evidence or any state laws that pertain specifically to arbitration, provided that the law of Kansas, where we are headquartered, shall be applicable to the extent that any state law is relevant in determining the enforceability of this Arbitration Provision under Section 2 of the FAA. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and applicable privilege rules, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. In addition, if you prevail in an individual (non-class) arbitration against us in which you are seeking monetary relief from us, we agree that the arbitrator shall award as the minimum amount of your damages (excluding arbitration fees and attorneys' fees and costs, if any) an amount that is \$100 greater than the jurisdictional limit of the small claims court (or your state's equivalent court) in the county in which you reside. For example, if such a court can decide claims up to \$5,000, then if you prevail in an individual arbitration, you will receive a minimum of \$5,100 even if the amount you would otherwise be entitled to receive is less than that amount. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator will follow rules of procedure and evidence consistent with the FAA, this Arbitration Provision and the administrator's rules.

9. SURVIVAL, SEVERABILITY, PRIMACY. This Arbitration Provision shall survive the full payment of any amounts due under any Services Agreement; any proper rescission or cancellation of any Services Agreements; any exercise of a self-help remedy; our sale or transfer of any Services Agreement or our rights under any Services Agreement; any legal proceeding by us to collect a debt owed by you; and your (or our) bankruptcy. If any part of this Arbitration Provision cannot be enforced, the rest of this Arbitration Provision will continue to apply; provided, however, that if Section 5(C), (D) and/or (E) is declared invalid in a proceeding between you and us, without

in any way impairing the right to appeal such decision, this entire Arbitration Provision (other than this sentence) shall be null and void in such proceeding. In the event of any conflict or inconsistency between this Arbitration Provision and the administrator's rules or the rest of any Services Agreement, this Arbitration Provision will govern. If you and we are a party to any other arbitration or dispute resolution agreement in connection with prior Services, this Arbitration Provision will supersede such prior arbitration agreement.

10. BREACH OF ARBITRATION AGREEMENT. If either party fails to submit to arbitration following a proper demand to do so and a court later orders arbitration, to the extent permitted by law that party shall bear all costs and expenses including reasonable attorneys' fees, incurred by the other party in seeking to compel arbitration.

JURY TRIAL WAIVER

YOU AND WE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, YOU AND WE, AFTER HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT. THIS JURY TRIAL WAIVER SHALL NOT AFFECT OR BE INTERPRETED AS MODIFYING IN ANY FASHION ANY SEPARATE ARBITRATION PROVISION BETWEEN YOU AND US, WHICH CONTAINS ITS OWN SEPARATE JURY TRIAL WAIVER.

Important Notices

BY SIGNING THIS AGREEMENT OR APPLYING FOR A LOAN:

- YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ENTITLED TO HAVE A COURT, OTHER THAN A SMALL CLAIMS COURT OR JUSTICE COURT, RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ABLE TO BRING, JOIN OR PARTICIPATE IN ANY CLASS ACTION LAWSUIT AGAINST US.

By signing below, you acknowledge and affirm that: (1) you have received and read a copy of this Agreement, (2) you agree to the above terms and to the Agreements for Resolving Disputes, (3) there are no blanks spaces appearing on this Agreement and (4) you represent that the "Amount Financed" as shown above, together with any other outstanding loans you have with us, does not exceed twenty-five percent of your expected monthly gross income.


Customer Signature(s) 6/21/2008
Date

By 
Rapid Cash Representative 6/21/2008
Date

Customer: EUGENE VARCADOS
SSN: 545568012

Loan Number: 6004965

Amount: \$588.24

Agreement Date: 6/21/2008

Due Date: 7/5/2008

Teller: JB7

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Eugene R. Varrados
701 Wheat Ridge Lane, Unit 101
Las Vegas, NV 89145
No Phone Available At This Time

Sunday, August 17, 2008

Thomas L. Steele
OGC Rapid Cash
3527 North Ridge Road
Wichita, KS, 67205

Account: 05-P-0972316

To my creditors,

A copy of this letter is being sent to all my creditors who have provided me with credit cards or other unsecured loans. Agreements with Creditors for secured loans are already in place.

The issue is my accounts are in arrears. The problem is the result of increases in utilities, gasoline, food, the primary care of a brain cancer victim and mostly a shocking reduction in income. Although I am maintaining both a full time and part time job I am unable to meet my expenses. The majority of my income is based on tourism tips, which have dropped about 30-40 percent in the last three months.

My goal is to pay everyone without resorting to debt consolidation or bankruptcy, in which all of us, except the facilitators, lose something. I tried bill consolidation (20K to 30K) in order to pay all outstanding debts at a reduced interest with affordable payments I can guarantee. No financial institution has shown an interest in offering a long-term solution so I must resort to other means. That's the story and here's the plan.

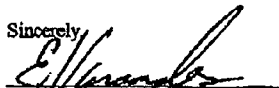
I am respectfully requesting the following assistance:

- "Lock-Down" of all accounts prohibiting additional charges until I request it's release. This will protect me from ID theft during this interim period. I would like to leave the accounts in an open state if possible, as I may wish to utilize credit lines when this episode is over.
- Closure of any accounts that will incur automatic interest rate increases, because of this plan being accepted or rejected, or past unforgivable activity, and pending my written cancellation.
- Continued online access to information about my accounts with payment capabilities.
- My request for removing the "Lock-Down" can be accepted through the message center.
- The lowest possible APR so that some reduction of the principle can be accomplished.
- Suspension of any fees or other charges resulting from this proposal.
- A cessation of phone calls, as I am aware of the situation. Incoming calls subtract from my contractual "free minutes" causing me more expense. You may continue to contact me via e-mail at: ev2090@yahoo.com
- Termination of all payee originated EFT. Payee originated EFT are no longer an acceptable form of payment. They are part of the reason for returned payments; there are too many of them, they are out of control. Income from tips is not constant and very greatly from pay period to pay period and I cannot guarantee the funds are available. It turns out to be first come first serve which does not work! Each time it occurs it cost money on both ends; I would rather pay my debts.
- Alter the payment due dates to the 30th of each month so I can handle my payments better.
- Written confirmation of receipt of this letter and the results thereof, at your earliest possible convenience.

During this period I will submit a statement of \$50 each month to a maximum of \$100. The first of these payments will start on September 4th. Online banking from my local branch will be used for all payments. Most outgoing payments are processed electronically on the next business day; some may require more time for paper checks. Normal payments will resume as soon as possible.

This period may last for several months depending on circumstances, which I cannot control or foresee. My ultimate goal is to be debt free with 24 to 36 months. I would appreciate any assistance you may be able to provide.

Sincerely,


Eugene R. Varrados.

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EXHIBIT H

Deferred Deposit Agreement & Disclosure Statement

Customer: CONCEPCION QUINTINO
2410 OLD GORGE LANE APT 101
LAS VEGAS, NV 89119

Lender: Advance Group Inc. dba Rapid Cash
2710A S. Maryland Pkwy
Las Vegas, NV 89109
7028862648

Check Number: 527 Check Amount: \$600.00 Agreement Date 04/21/06 Due Date (Date of Check): 05/06/06

ITEMIZATION OF AMOUNT FINANCED OF \$510.00
New Applicant Fee..... \$0.00
Amount Paid Directly To You \$510.00
Amount Paid On Your Account..... \$0.00

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. <u>429.41%</u>	FINANCE CHARGE The dollar amount the credit will cost you. <u>\$90.00</u>	Amount Financed The amount of credit provided to you or on your behalf. <u>\$510.00</u>	Total of Payments The amount you will have paid after you have made all payments as scheduled. <u>\$600.00</u>
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Payment Schedule: One payment in the amount of \$600.00, due on 05/06/06
(Month) (Day) (Year)

Prepayment: If you pay off early, you will not be entitled to a refund of any part of the finance charge. See the information below about nonpayment and default.

No Security Interest. No security interest is given or taken in connection with this transaction except other than any security in your Check that may arise by operation of law.

AGREEMENT

This Agreement contains important terms and conditions affecting your loan. Read it carefully before you sign it.

Definitions. Certain words used in this Agreement have special meanings. The word "Agreement" means this Deferred Deposit Agreement & Disclosure Statement. The words "you" and "your" means the person signing this Agreement. The words "we," "us" and "our" mean Advance Group, Inc. or Principal Investments, Inc., each doing business as Rapid Cash. The word "loan" means the deferred deposit transaction governed by this Agreement. The words "due date" mean the due date shown above and in the Payment Schedule shown in the box above. The boxed-in disclosures above are part of the terms and conditions of your Agreement with us.

Promise to Pay. You promise to pay us the "Total of Payments" in the box above, which includes a Finance Charge, on the due date.

Deferred Deposit. You are giving us your personal check, identified above by check number. We will not deposit your check until the due date. You promise that on the due date, you will have enough money available in your account to repay your loan. You promise that you will not close your account or place a stop payment on the check.

Our Fee. Our single charge fee for making the loan appears in the box above and is expressed as a dollar amount (Finance Charge) and an Annual Percentage Rate. The Annual Percentage Rate above is based upon that fee being an add-on finance charge, which is fully earned by us as of the date of this Agreement.

No Collateral. We are not allowed to accept any collateral except other than any security interest in your Check that may arise by operation of law.

Extensions. At any time prior to the due date, you may request an extension of this loan. We may grant or deny your request in our sole discretion. If we grant your request, you will be required to pay the Finance Charge shown above and sign a new Deferred Deposit Agreement. You will be required to pay your loan in full, including an additional Finance Charge, on the new due date. The terms of the extension, including the additional finance charge, will be described in the new Deferred Deposit Agreement. You agree to provide us a new check for the balance due on the new due date. The due date for any extension cannot be later than 60 days from the date the original loan was due.

Option to Rescind. You may cancel this loan without paying the Finance Charge. To do so, you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash. If we receive your payment on time, we will return your check and cancel your loan.

Prepayment. You may prepay your Loan in full or in part with no additional charge. If you pay off early, you will not be entitled to a refund of any part of the finance charge. The finance charge constitutes a single charge for making the loan. Any partial payments you make will be applied first to fees and costs, then to finance charges, then to principal.

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Electronic Check Deposit. The check that you have given to us for payment of your obligation under this Agreement may be presented to your bank as an Electronic Funds Transfer ("EFT") through the Automated Clearing House (ACH) network. We may initiate a debit entry to your checking account in order to receive payment. We may do so where the check is lost, misplaced or destroyed or it is more practical to conduct an EFT rather than deposit your check. In other circumstances, we may process your payment and deposit your check. In cases where we utilize an EFT for payment, funds may be withdrawn from your account quickly sometimes the same date as your loan is due and you will not receive your check back from your financial institution. By signing this Agreement, you authorize us to electronically deposit and collect on your check in the amount of the Total of Payments shown in this Agreement. Your authorization to EFT your account will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice.

Nonpayment and Default. You will be in default if the Total of Payments is not paid in full by the due date. If you default on your obligations, in addition to the amounts you owe us, we may charge you interest for 90 days from the date of your default at the rate equal to the prime rate of the largest bank in the State of Nevada (as ascertained by the Nevada Commissioner of Financial Institutions), plus ten percent. If your payment either by check or EFT is not paid upon presentment because of NSF or Account Closed you will be charged a return check charge of \$25.00. If you default on this loan you have the opportunity within 30 days of the default to enter into a repayment plan with a term of at least 90 days. We will offer the repayment plan to you before we commence any civil action or process of alternative dispute resolution.

Authorizations to Collect Debt Upon Default. You authorize us to withdraw from your bank account the amount you owe us according to this or any former Agreement. We may make this withdrawal by re-presenting your check electronically, and/or by using one or more, in varied amounts paper or EFT debits not to exceed the amount owed to us. Your EFT debit authorization extends to the bank account listed on your original check or any other bank account maintained by you wherever located. If you provide us with a Visa or MasterCard check, debit or credit card (collectively the "Card") you also authorized us, denoted by your signature on this Agreement to charge, submit and collect all amounts due to us. We may submit these charges to your Card one or more times until the total amount owed to us is paid in full. Your authorization to ACH and to charge your Card will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice. We may not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize the above collection of the Total of Payments by electronic means from your bank account and Card. You may withdraw such voluntary consent by writing to us at our business address set forth above.

Offset. You agree that by law and this Agreement we or our agents may offset (deduct) any sums owed to us from any checks presented to us now or in the future for cashing. The amount owed to us includes any legitimate reason including, but not limited to, returned checks, return check charges, defaulted loans or additional collection costs that you have incurred with us or one of our affiliates.

Credit Reporting. You agree that we may make inquiries concerning your credit history and standing, and we may report information concerning your performance under this Agreement to credit reporting agencies.

Telephone Calls - Monitoring: You agree that if you are past due or in default, you will accept calls from us regarding the collection of your Account. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for purposes of state and federal law. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer service.

Agreements for Resolving Disputes: You agree to the Agreements for Resolving Disputes in this Agreement. Except as otherwise provided in the Agreements for Resolving Disputes, this Agreement will be governed by the laws of the State of Nevada. If any part of this Agreement is found to be unenforceable, that part will be deemed severed from the Agreement, and the remaining provisions will be enforced to the fullest extent allowed by law.

Agreements for Resolving Disputes

Mediation Agreement

You and We Agree to Mediate Claims. You and we agree that before either of us starts a lawsuit, arbitration proceeding or any other legal proceeding, we will submit any and all "Claims" that we have against you, and you will submit any and all Claims that you have against us, to neutral, individual (and not class) mediation.

What is Mediation? Mediation is an informal procedure used to resolve disputes. In a mediation, a professionally trained, impartial mediator meets with the parties to a dispute. A mediator does not decide who is right or wrong. Instead, a mediator assists the parties in finding a solution that works best for them. If the parties agree, they may settle their differences and avoid further proceedings.

Meaning of "Claims." "Claims" means any and all claims, disputes or controversies that arise under common law, federal or state statute or regulation, or otherwise, and that we or our servicers or agents have against you or that you have against us, our servicers, agents, directors, officers and employees. "Claims" also includes any and all claims that arise out of (i) the validity, scope and/or applicability of this Mediation Agreement or the Arbitration Agreement appearing below, (ii) your application for a Loan, (iii) the Agreement, (iv) any prior agreement between you and us, including any prior loans we have made to you or (v) our collection of any Loan. "Claims" also includes all claims asserted as a representative, private attorney general, member of a class or in any other representative capacity, and all counterclaims, cross-claims and third party claims.

Rules of Mediation. You and we agree to mediate in good faith to resolve any Claims on an individual (and not class) basis. The mediation will be governed by the Better Business Bureau Rules of Mediation in effect at the time the Claim is filed. You can obtain a copy of the Rules of Mediation and forms at any Better Business Bureau Office or online at www.bbb.org. The mediation will take place at a location near your residence. The mediator will not conduct class mediation, and will not allow you to act as a representative, private attorney general or in any other representative capacity.

Costs of Mediation. We will pay all mediation fees, including filing fees and the mediator's fees.

Other Mediation Terms. This Mediation Agreement is an independent agreement, will survive the closing and repayment of the Loan for which you are applying, and will be binding upon you and your heirs and assigns. If a court of competent jurisdiction finds that one or more provisions of this Mediation Agreement is unenforceable, such provision or provisions will be deemed to be severed, and the remaining provisions of this Mediation Agreement will be enforced to the fullest extent allowed by law.

Arbitration Agreement

You and We Agree to Arbitrate. If you and we are not able to resolve a Claim in mediation, then you and we agree that such Claim will be resolved by neutral, binding individual (and not class) arbitration. You and we may not initiate arbitration proceedings without first complying with the Mediation Agreement.

What is Arbitration? Arbitration is a procedure used to resolve disputes. It is different than mediation. In arbitration, a professionally trained, neutral, third party arbitrator holds a hearing. The hearing is less formal than a trial in court. Each party has the opportunity to tell his or her side of the dispute. The arbitrator will review each party's case and make a decision. The decision is binding on the parties. By agreeing to arbitration, YOU GIVE UP YOUR RIGHT TO GO TO COURT.

Meaning of "Claims." The word "Claims" has the same meaning as in the Mediation Agreement.

Rules of Arbitration. Except as provided in this Arbitration Agreement, the arbitration will be governed by the Code of Procedure of the National Arbitration Forum ("NAF") in effect at the time the claim is filed. Rules and forms of the NAF may be obtained and all claims must be filed at any NAF office, on the World Wide Web at www.arb-forum.com, or at National Arbitration Forum, P.O. Box 50191, Minneapolis, Minnesota 55405-0191. You may also elect to have the arbitration heard by and under the consumer rules of the American Arbitration Association or the Better Business Bureau. Any arbitration hearing, if one is held, will take place at a location near your residence. The arbitration will be conducted by a single arbitrator. The arbitrator will not conduct class arbitration, and will not allow you to act as a representative, private attorney general or in any other representative capacity. The arbitration award will be in writing. The arbitrator may award the prevailing party its attorneys' fees and arbitration expenses. Judgment upon the award may be entered by any party in any court having jurisdiction. All statutes of limitations that are applicable to a Claim will apply to any arbitration between you and us.

Costs of Arbitration. We will pay our share of any arbitration fees. *If you are unable to pay your share of the costs of arbitration, your arbitration fees may be waived by the NAF or other arbitration service provider you have selected.* If your properly submitted request to waive the arbitration fees is denied, or if the arbitration service you have selected does not have a waiver procedure, then we will, at your request, advance your share of the arbitration fees. If the arbitrator renders a decision in your favor, then you will not have to reimburse us for your share of the arbitration fees. If the arbitrator renders a decision in our favor, then you agree to reimburse us for the arbitration fees we have advanced on your behalf. However, you will not have to reimburse us for any more than the amount that could have been assessed as court costs if the Claim had been resolved by a state court with proper jurisdiction.

Governing Law. This Arbitration Agreement is made pursuant to a transaction involving interstate commerce. It will be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, as amended ("FAA"). If for any reason a court of competent jurisdiction finds that the FAA does not apply, then this Arbitration Agreement will be governed by the Nevada Uniform Arbitration Act, as amended.

Other Arbitration Terms. This Arbitration Agreement is an independent agreement, will survive the closing and repayment of the Loan for which you are applying, and will be binding upon you and your heirs and assigns. If a court of competent jurisdiction finds that one or more provisions of this Arbitration Agreement is unenforceable, such provision or provisions will be deemed to be severed, and the remaining provisions of the Arbitration Agreement will be enforced to the fullest extent allowed by law.

Exceptions to Mediation and Arbitration

In the following situations, neither you nor we will need to submit Claims to mediation or arbitration before taking other actions.

Limited and Small Claims. You and we each have the right to bring a Claim in a small claims or the proper Las Vegas Justice Court, as long as the Claim is within the jurisdictional limits of that court. Neither you nor we will need to submit Claims to mediation or arbitration before doing so. However, neither you nor we may bring any Claims as a representative, private attorney general, member of a class or in any other representative capacity. All Claims that cannot be brought in small claims court or Las Vegas Justice Court (and all appeals from a judgment by a small claims court or limited actions / jurisdiction court) must be resolved consistent with the Mediation Agreement and the Arbitration Agreement appearing above.

Important Notices

BY SIGNING THIS AGREEMENT OR APPLYING FOR A LOAN:

- YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ENTITLED TO HAVE A COURT, OTHER THAN A SMALL CLAIMS COURT OR JUSTICE COURT, RESOLVE ANY CLAIM AGAINST US.

• **YOU WILL NOT BE ABLE TO BRING, JOIN OR PARTICIPATE IN ANY CLASS ACTION LAWSUIT AGAINST US.**

By signing below, you acknowledge and affirm that: (1) you have received and read a copy of this Agreement, (2) you agree to the above terms and to the Agreements for Resolving Disputes, (3) there are no blanks spaces appearing on this Agreement and (4) you represent that the "Amount Financed" as shown above, together with any other outstanding loans you have with us, does not exceed twenty-five percent of your expected monthly gross income.

Customer Signature(s)

Date

By

Rapid Cash Representative

Date

Notice of Your Financial Privacy Rights

We respect the privacy of our customers and are committed to treating customer information responsibly. This Privacy Notice is for Speedy Cash®, Galt Ventures, Inc., and all their parent and affiliate companies doing business as Speedy Cash®, Rapid Cash and AAA Title Loans. This Notice describes the type of information we collect, how we might disclose that information and the steps we take to protect your information.

A. NON-DISCLOSURE POLICY AND SECURITY.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

B. CATEGORIES OF INFORMATION WE COLLECT.

We collect nonpublic personal information from the following sources:

Information we receive from you on applications or other forms, such as social security number, banking and credit history and income;

Information about your transactions within the Speedy /Rapid Cash /AAA Title Loan group of companies, or others;

Information we receive from consumer credit reporting agency; and

Information we receive from other nonaffiliated third parties, such as your bank.

C. CATEGORIES OF INFORMATION WE DISCLOSE.

We may disclose all the information we collect, as described above, to our companies and to nonaffiliated third parties in accordance within applicable law.

D. CATEGORIES OF AFFILIATES and THIRD PARTIES TO WHOM WE DISCLOSE.

Affiliates: The Speedy /Rapid Cash /AAA group of companies;

Third Parties: Entities who process or administer a financial transaction requested or authorized by you; Consumer Credit Reporting Agencies to which we permitted under law and banks, credit card companies and other financial service providers with whom you have a contractual relationship and federal, state and local governmental departments that require us to disclose the information or where disclosure concerns fraud, theft or criminal activity; other third parties that are permitted. under 16 CFR 313.15.

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EXHIBIT I

Deferred Deposit Agreement & Disclosure Statement

Customer: CONCEPCION QUINTINO
2410 OLD GORGE LANE APT 101
LAS VEGAS, NV 89118

Lender: Advance Group Inc. dba Rapid Cash
2710A S. Maryland Pkwy
Las Vegas, NV 89109
7028662548

Check Number: 531 Check Amount: \$800.00 Agreement Date 05/05/06 Due Date (Date of Check): 05/20/06

ITEMIZATION OF AMOUNT FINANCED OF \$510.00
New Applicant Fee..... \$0.00
Amount Paid Directly To You \$0.00
Amount Paid On Your Account..... \$510.00

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. <u>429.41%</u>	FINANCE CHARGE The dollar amount the credit will cost you. <u>\$80.00</u>	Amount Financed The amount of credit provided to you or on your behalf. <u>\$510.00</u>	Total of Payments The amount you will have paid after you have made all payments as scheduled. <u>\$600.00</u>
--	--	--	---

Payment Schedule: One payment in the amount of \$600.00, due on 05/20/06
(Month) (Day) (Year)

Prepayment: If you pay off early, you will not be entitled to a refund of any part of the finance charge. See the information below about nonpayment and default.

No Security Interest. No security interest is given or taken in connection with this transaction except other than any security in your Check that may arise by operation of law.

AGREEMENT

This Agreement contains important terms and conditions affecting your loan. Read it carefully before you sign it.

Definitions. Certain words used in this Agreement have special meanings. The word "Agreement" means this Deferred Deposit Agreement & Disclosure Statement. The words "you" and "your" means the person signing this Agreement. The words "we," "us" and "our" mean Advance Group, Inc. or Principal Investments, Inc. each doing business as Rapid Cash. The word "loan" means the deferred deposit transaction governed by this Agreement. The words "due date" mean the due date shown above and in the Payment Schedule shown in the box above. The boxed-in disclosures above are part of the terms and conditions of your Agreement with us.

Promise to Pay. You promise to pay us the "Total of Payments" in the box above, which includes a Finance Charge, on the due date.

Deferred Deposit. You are giving us your personal check, identified above by check number. We will not deposit your check until the due date. You promise that on the due date, you will have enough money available in your account to repay your loan. You promise that you will not close your account or place a stop payment on the check.

Our Fee. Our single charge fee for making the loan appears in the box above and is expressed as a dollar amount (Finance Charge) and an Annual Percentage Rate. The Annual Percentage Rate above is based upon that fee being an add-on finance charge, which is fully earned by us as of the date of this Agreement.

No Collateral. We are not allowed to accept any collateral except other than any security interest in your Check that may arise by operation of law.

Extensions. At any time prior to the due date, you may request an extension of this loan. We may grant or deny your request in our sole discretion. If we grant your request, you will be required to pay the Finance Charge shown above and sign a new Deferred Deposit Agreement. You will be required to pay your loan in full, including an additional Finance Charge, on the new due date. The terms of the extension, including the additional finance charge, will be described in the new Deferred Deposit Agreement. You agree to provide us a new check for the balance due on the new due date. The due date for any extension cannot be later than 60 days from the date the original loan was due.

Option to Rescind. You may cancel this loan without paying the Finance Charge. To do so, you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash. If we receive your payment on time, we will return your check and cancel your loan.

Prepayment. You may prepay your Loan in full or in part with no additional charge. If you pay off early, you will not be entitled to a refund of any part of the finance charge. The finance charge constitutes a single charge for making the loan. Any partial payments you make will be applied first to fees and costs, then to finance charges, then to principal.

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Page 1 of 4

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Electronic Check Deposit. The check that you have given to us for payment of your obligation under this Agreement may be presented to your bank as an Electronic Funds Transfers ("EFT") through the Automated Clearing House (ACH) network. We may initiate a debit entry to your checking account in order to receive payment. We may do so where the check is lost, misplaced or destroyed or it is more practical to conduct an EFT rather than deposit your check. In other circumstances, we may process your payment and deposit your check. In cases where we utilize an EFT for payment, funds may be withdrawn from your account quickly sometimes the same date as your loan is due and you will not receive your check back from your financial institution. By signing this Agreement, you authorize us to electronically deposit and collect on your check in the amount of the Total of Payments shown in this Agreement. Your authorization to EFT your account will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice.

Nonpayment and Default. You will be in default if the Total of Payments is not paid in full by the due date. If you default on your obligations, in addition to the amounts you owe us, we may charge you interest for 90 days from the date of your default at the rate equal to the prime rate of the largest bank in the State of Nevada (as ascertained by the Nevada Commissioner of Financial Institutions), plus ten percent. If your payment either by check or EFT is not paid upon presentment because of NSF or Account Closed you will be charged a return check charge of \$25.00. If you default on this loan you have the opportunity within 30 days of the default to enter into a repayment plan with a term of at least 90 days. We will offer the repayment plan to you before we commence any civil action or process of alternative dispute resolution.

Authorizations to Collect Debt Upon Default. You authorize us to withdraw from your bank account the amount you owe us according to this or any former Agreement. We may make this withdrawal by re-presenting your check electronically, and/or by using one or more, in varied amounts paper or EFT debits not to exceed the amount owed to us. Your EFT debit authorization extends to the bank account listed on your original check or any other bank account maintained by you wherever located. If you provide us with a Visa or MasterCard check, debit or credit card (collectively the "Card") you also authorize us, denoted by your signature on this Agreement to charge, submit and collect all amounts due to us. We may submit these charges to your Card one or more times until the total amount owed to us is paid in full. Your authorization to ACH and to charge your Card will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice. We may not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize the above collection of the Total of Payments by electronic means from your bank account and Card. You may withdraw such voluntary consent by writing to us at our business address set forth above.

Offset. You agree that by law and this Agreement we or our agents may offset (deduct) any sums owed to us from any checks presented to us now or in the future for cashing. The amount owed to us includes any legitimate reason including, but not limited to, returned checks, return check charges, defaulted loans or additional collection costs that you have incurred with us or one of our affiliates.

Credit Reporting. You agree that we may make inquiries concerning your credit history and standing, and we may report information concerning your performance under this Agreement to credit reporting agencies.

Telephone Calls - Monitoring: You agree that if you are past due or in default, you will accept calls from us regarding the collection of your Account. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for purposes of state and federal law. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer service.

Agreements for Resolving Disputes: You agree to the Agreements for Resolving Disputes in this Agreement. Except as otherwise provided in the Agreements for Resolving Disputes, this Agreement will be governed by the laws of the State of Nevada. If any part of this Agreement is found to be unenforceable, that part will be deemed severed from the Agreement, and the remaining provisions will be enforced to the fullest extent allowed by law.

Agreements for Resolving Disputes

Mediation Agreement

You and We Agree to Mediate Claims. You and we agree that before either of us starts a lawsuit, arbitration proceeding or any other legal proceeding, we will submit any and all "Claims" that we have against you, and you will submit any and all Claims that you have against us, to neutral, individual (and not class) mediation.

What is Mediation? Mediation is an informal procedure used to resolve disputes. In a mediation, a professionally trained, impartial mediator meets with the parties to a dispute. A mediator does not decide who is right or wrong. Instead, a mediator assists the parties in finding a solution that works best for them. If the parties agree, they may settle their differences and avoid further proceedings.

Meaning of "Claims." "Claims" means any and all claims, disputes or controversies that arise under common law, federal or state statute or regulation, or otherwise, and that we or our servicers or agents have against you or that you have against us, our servicers, agents, directors, officers and employees. "Claims" also includes any and all claims that arise out of (i) the validity, scope and/or applicability of this Mediation Agreement or the Arbitration Agreement appearing below, (ii) your application for a Loan, (iii) the Agreement, (iv) any prior agreement between you and us, including any prior loans we have made to you or (v) our collection of any Loan. "Claims" also includes all claims asserted as a representative, private attorney general, member of a class or in any other representative capacity, and all counterclaims, cross-claims and third party claims.

Rules of Mediation. You and we agree to mediate in good faith to resolve any Claims on an individual (and not class) basis. The mediation will be governed by the Better Business Bureau Rules of Mediation in effect at the time the Claim is filed. You can obtain a copy of the Rules of Mediation and forms at any Better Business Bureau Office or online at www.bbb.org. The mediation will take place at a location near your residence. The mediator will not conduct class mediation, and will not allow you to act as a representative, private attorney general or in any other representative capacity.

Costs of Mediation. We will pay all mediation fees, including filing fees and the mediator's fees.

Other Mediation Terms. This Mediation Agreement is an independent agreement, will survive the closing and repayment of the Loan for which you are applying, and will be binding upon you and your heirs and assigns. If a court of competent jurisdiction finds that one or more provisions of this Mediation Agreement is unenforceable, such provision or provisions will be deemed to be severed, and the remaining provisions of this Mediation Agreement will be enforced to the fullest extent allowed by law.

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Costs of Arbitration. We will pay our share of any arbitration fees. *If you are unable to pay your share of the costs of arbitration, your arbitration fees may be waived by the NAF or other arbitration service provider you have selected.* If your properly submitted request to waive the arbitration fees is denied, or if the arbitration service you have selected does not have a waiver procedure, then we will, at your request, advance your share of the arbitration fees. If the arbitrator renders a decision in your favor, then you will not have to reimburse us for your share of the arbitration fees. If the arbitrator renders a decision in our favor, then you agree to reimburse us for the arbitration fees we have advanced on your behalf. However, you will not have to reimburse us for any more than the amount that could have been assessed as court costs if the Claim had been resolved by a state court with proper jurisdiction.

Governing Law. This Arbitration Agreement is made pursuant to a transaction involving interstate commerce. It will be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16, as amended ("FAA"). If for any reason a court of competent jurisdiction finds that the FAA does not apply, then this Arbitration Agreement will be governed by the Nevada Uniform Arbitration Act, as amended.

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Important Notices

BY SIGNING THIS AGREEMENT OR APPLYING FOR A LOAN:

- YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ENTITLED TO HAVE A COURT, OTHER THAN A SMALL CLAIMS COURT OR JUSTICE COURT, RESOLVE ANY CLAIM AGAINST US.

• **YOU WILL NOT BE ABLE TO BRING, JOIN OR PARTICIPATE IN ANY CLASS ACTION LAWSUIT AGAINST US.**

By signing below, you acknowledge and affirm that: (1) you have received and read a copy of this Agreement, (2) you agree to the above terms and to the Agreements for Resolving Disputes, (3) there are no blanks spaces appearing on this Agreement and (4) you represent that the "Amount Financed" as shown above, together with any other outstanding loans you have with us, does not exceed twenty-five percent of your expected monthly gross income.


5-5-06
By 
5500
 Customer Signature(s) Date Rapid Cash Representative Date

Notice of Your Financial Privacy Rights

We respect the privacy of our customers and are committed to treating customer information responsibly. This Privacy Notice is for Speedy Cash®, Galt Ventures, Inc., and all their parent and affiliate companies doing business as Speedy Cash®, Rapid Cash and AAA Title Loans. This Notice describes the type of information we collect, how we might disclose that information and the steps we take to protect your information.

A. NON-DISCLOSURE POLICY AND SECURITY.

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

B. CATEGORIES OF INFORMATION WE COLLECT.

We collect nonpublic personal information from the following sources:

Information we receive from you on applications or other forms, such as social security number, banking and credit history and income;

Information about your transactions within the Speedy/Rapid Cash/AAA Title Loan group of companies, or others;

Information we receive from consumer credit reporting agency; and

Information we receive from other nonaffiliated third parties, such as your bank.

C. CATEGORIES OF INFORMATION WE DISCLOSE.

We may disclose all the information we collect, as described above, to our companies and to nonaffiliated third parties in accordance within applicable law.

D. CATEGORIES OF AFFILIATES and THIRD PARTIES TO WHOM WE DISCLOSE.

Affiliates: The Speedy/Rapid Cash/AAA group of companies;

Third Parties: Entities who process or administer a financial transaction requested or authorized by you; Consumer Credit Reporting Agencies to which we permitted under law and banks, credit card companies and other financial service providers with whom you have a contractual relationship and federal, state and local governmental departments that require us to disclose the information or where disclosure concerns fraud, theft or criminal activity; other third parties that are permitted under 16 CFR 313.15.

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IN THE SUPREME COURT OF THE STATE OF NEVADA

PRINCIPAL INVESTMENTS, INC.. d/b/a
RAPID CASH, GRANITE FINANCIAL
SERVICES, INC., d/b/a RAPID CASH, FMMR
INVESTMENTS, INC., d/b/a RAPID CASH,
PRIME GROUP, INC., d/b/a RAPID CASH and
ADVANCE GROUP, INC. d/b/a RAPID CASH,

Petitioners,

vs.

The EIGHTH JUDICIAL DISTRICT COURT of
the State of Nevada, in and for the County
of Clark, and THE HONORABLE
ELIZABETH GONZALEZ, District Judge,

Respondent,

and

CASSANDRA HARRISON, EUGENE
VARCADOS CONCEPCION QUINTINO and
MARY DUNGAN, individually and on
behalf for all others similarly situated,

Real Parties in Interest.

Case No.

Electronically Filed
Dec 17 2010 01:50 p.m.

District Court No. A624982
Tracie K. Lindeman

APPEAL

from the Eighth Judicial District Court, Clark County
The Honorable ELIZABETH GONZALEZ, District Judge
District Court Case No. A624982

APPENDIX TO PETITION FOR WRIT OF MANDAMUS

DANIEL F. POLSENBERG
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LEWIS AND ROCA LLP
3993 Howard Hughes Parkway
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Las Vegas, Nevada 89169
(702) 474-2616

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MARTIN C. BRYCE, JR.
(Admitted *Pro Hac Vice*)
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1735 Market Street, 51st Floor
Philadelphia, PA 19103
(215) 665-8500

Attorneys for Petitioner

TABLE OF CONTENTS TO APPENDIX

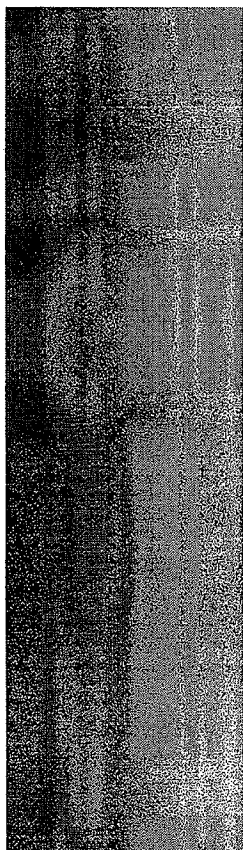
Tab	Document	Date	Vol.	Pages
1	Class Action Complaint	09/09/10	1	01-26
2	Affidavit of Richard Duke Gee	09/27/10	1	27-99
3	Motion to Compel Arbitration and Stay All Proceedings; Application for Order Shortening Time	09/30/10	1	100-119
4	Opposition to Motion to Compel Arbitration and Stay All Proceedings	10/07/10	1	120-162
5	Reply to Opposition to Motion to Compel Arbitration and Stay of Proceedings	10/08/10	1	163-195
6	Transcript of Hearing on Motions	10/12/10	1	196-229
7	Order Denying Motion to Compel Arbitration	11/29/10	1	230-232

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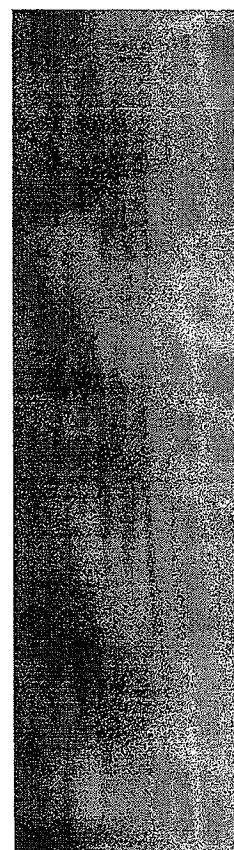
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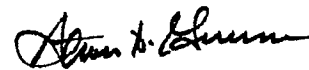
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CLERK OF THE COURT

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2 Dan L. Wulz, Esq. (5557)

3 Venicia Considine, Esq. (11544)

4 **LEGAL AID CENTER OF SOUTHERN NEVADA, INC.**

5 800 South Eighth Street

6 Las Vegas, Nevada 89101

7 Telephone: (702) 386-1070 x 106

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14 Las Vegas, Nevada 89169

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16 Facsimile: (702) 385-6001

17 jj@kempjones.com

18 Attorneys for Plaintiffs/Putative Class Counsel

13 **DISTRICT COURT**

14 **CLARK COUNTY, NEVADA**

16 Casandra Harrison; Eugene Varcados;
17 Concepcion Quintino; and Mary Dungan,
18 individually and on behalf of all persons
19 similarly situated,

20 **Plaintiffs,**

21 **v.**

22 Principal Investments, Inc. d/b/a Rapid Cash;
23 Granite Financial Services, Inc. d/b/a Rapid
24 Cash; FMMR Investments, Inc., d/b/a Rapid
25 Cash; Prime Group, Inc., d/b/a Rapid Cash;
26 Advance Group, Inc., d/b/a Rapid Cash;
27 Maurice Carroll, individually and d/b/a On
28 Scene Mediations; W.A.M. Rentals, LLC
and d/b/a On Scene Mediations; Villisia
Coleman, and DOES I through X, inclusive,

Defendants.

A - 1 0 - 6 2 4 9 8 2 - B

Case No.:

Dept. No.: X I

CLASS ACTION COMPLAINT

Exempt from Arbitration

Class Action; Declaratory and
Injunctive Relief Sought

Plaintiffs, Casandra Harrison, Eugene Varcados, Concepcion Quintino, and Mary

1 Dungan, individually and on behalf of all others similarly situated (hereafter "Class
2 Representatives") for their Complaint against Defendants and DOES I thru X, allege and state as
3 follows:
4

5 I.

6 NATURE OF THIS ACTION

7 1. This is a class action to redress the fraud perpetrated on the courts and perhaps
8 thousands of defendants in the Clark County, Nevada, judicial system through "sewer service,"
9 the despicable practice by which a process server attests to having served a summons and
10 complaint upon a defendant when, in fact, the defendant is never served and is left ignorant that
11 his legal rights are being adjudicated. It arises from thousands of payday loan lawsuits filed in
12 the Clark County Justice Courts by payday lender Rapid Cash in which Rapid Cash employed
13 On Scene Mediations to fulfill Rapid Cash's responsibility under JCRCF 4(a) to serve the
14 Summons and a copy of the Complaint on each Defendant borrower. On Scene Mediations did
15 not serve process but executed an affidavit of service falsely stating it did serve process. Rapid
16 Cash then filed the return of service with the Justice Court and obtained default judgments
17 against the unwitting defendants. Default judgments have been entered in every case at issue in
18 this action. Every such default judgment is void.
19

20
21 2. The Class seeks declaratory relief pursuant to NRS 30.010 *et seq.* for a
22 declaration of the rights, status, or other legal relations of the parties. They also seek injunctive
23 relief pursuant to Article 6, Section 6 of the Nevada Constitution, NRS 33.010 *et seq.*, and
24 NRCP 65 against Rapid Cash with respect to enforcement of the void default judgments
25 obtained, as well as equitable remedies. This action also arises under NRS Chapter 604A
26 against Rapid Cash seeking declaratory and injunctive relief, punitive damages, prejudgment
27
28

1 interest, reasonable attorney's fees, costs, and other legal and equitable relief. This is an
2 independent action in equity for fraud upon the court, and legal theories of recovery set forth
3 below include abuse of process, violations of NRS Chapter 604A and Chapter 598, negligent
4 hiring, negligence, and civil conspiracy.

5
6 3. Class Representatives make the following allegations upon information and
7 belief:

8
9 **II.**

10 **PARTIES**

11 4. The Class Representatives are natural persons and are currently residing in Las
12 Vegas, Clark County, Nevada.

13 5. Principal Investments, Inc. d/b/a Rapid Cash is a corporation organized and
14 existing under and by virtue of the laws of the State of Nevada and may be served with service
15 of process upon its resident agent, Ellis & Gordon, A Professional Corporation, at 510 S. Ninth
16 St., Las Vegas, NV 89101.

17
18 6. Granite Financial Services, Inc. d/b/a Rapid Cash is a corporation organized and
19 existing under and by virtue of the laws of the State of Nevada and may be served with service
20 of process upon its resident agent, Ellis & Gordon, A Professional Corporation, at 510 S. Ninth
21 St., Las Vegas, NV 89101.

22
23 7. FMMR Investments, Inc. d/b/a Rapid Cash is a corporation organized and
24 existing under and by virtue of the laws of the State of Nevada and may be served with service
25 of process upon its resident agent, Ellis & Gordon, A Professional Corporation, at 510 S. Ninth
26 St., Las Vegas, NV 89101.

27
28 8. Prime Group, Inc. d/b/a Rapid Cash is a corporation organized and existing under

1 and by virtue of the laws of the State of Nevada and may be served with service of process upon
2 its resident agent, Ellis & Gordon, A Professional Corporation, at 510 S. Ninth St., Las Vegas,
3 NV 89101.

4
5 9. Advance Group, Inc. d/b/a Rapid Cash is a corporation organized and existing
6 under and by virtue of the laws of the State of Nevada and may be served with service of process
7 upon its resident agent, Ellis & Gordon, A Professional Corporation, at 510 S. Ninth St., Las
8 Vegas, NV 89101.

9
10 10. The Rapid Cash Defendants¹ are currently doing business at fourteen (14)
11 locations in Clark County, Nevada.

12 11. Maurice Carroll, individually and d/b/a On Scene Mediations,² is an individual
13 and resident of Clark County, and may be served with process at his residence in Clark County,
14 Nevada.

15 12. W.A.M. Rentals, LLC and d/b/a On Scene Mediations ("On Scene Mediations")
16 is a limited liability company organized and existing under and by virtue of the laws of the State
17 of Nevada, and may be served with process by service of process upon its resident agent,
18 Maurice Carroll, located at 1000 N. Green Valley Pkwy, #440-305, Henderson, NV 89074.

19 13. Vilisia Coleman is an individual and resident of Clark County, Nevada, and may
20 be served with process at her residence in Clark County, Nevada. Vilisia Coleman was
21
22

23
24
25 ¹ The Rapid Cash Defendants: Principal Investments, Inc. d/b/a Rapid Cash; Granite
26 Financial Services, Inc. d/b/a Rapid Cash; FMIMR Investments, Inc., d/b/a Rapid Cash; Prime
Group, Inc., d/b/a Rapid Cash; and Advance Group, Inc., d/b/a Rapid Cash will collectively be
referred to herein throughout as "Rapid Cash."

27 ² Maurice Carroll, individually and d/b/a On Scene Mediations, and W.A.M. Rentals,
28 LLC and d/b/a On Scene Mediations, will collectively be referred to herein throughout as
"Carroll/On Scene Mediations" or "On Scene Mediations."

1 employed by Carroll/On Scene Mediations, claimed to have served process upon some members
2 of the Class when she did not do so, and signed false Affidavits of Service which were provided
3 to Rapid Cash.

4
5 14. All of the acts or failures to act alleged herein were duly performed by and are
6 attributable to Defendants acting by and through their agents and employees. Said acts and
7 failures to act were within the scope of said agency and/or employment, and Defendants ratified
8 said acts and omissions.

9
10 15. Pursuant to NRCP 10(a) and Nurenberger Hercules-Werke GMHB v. Virostek,
11 107 Nev. 873, 822 P.2d 1100 (1991), the identity of Defendants designated as DOEs I through X
12 are unknown at the present time; however, it is alleged and believed these Defendants were
13 involved in the initiation, approval, support, or execution of the wrongful acts upon which this
14 litigation is premised, or of similar actions directed against the Class about which the Class is
15 presently unaware. As the specific identities of these parties are revealed through the course of
16 discovery, the DOE appellation will be replaced to identify these parties by their true names and
17 capacities.

18 III.

19 GENERAL FACTUAL ALLEGATIONS – 20 PLAINTIFF CLASS REPRESENTATIVES

21 A. Casandra Harrison

22
23 16. On or about March 19, 2009, Rapid Cash made payday loans in the amounts of
24 \$582.00 and \$400.00, to Casandra Harrison pursuant to written loan agreements.

25
26 17. Rapid Cash filed a complaint against Ms. Harrison in Justice Court, Las Vegas
27 Township, Clark County, Nevada, on or about July 21, 2009, for defaulting on the loans.

28 18. The Affidavit of Service for the Summons and Complaint purportedly served on

1 Ms. Harrison was signed by a "T. Smith," notarized by Maurice Carroll, and affirmed that
2 service was both received and made by personal service on Ms. Harrison on the same day,
3 August 8, 2009.
4

5 19. Not only was Ms. Harrison not served on August 8, 2009, she was not served at
6 any other time by On Scene Mediations or any other server of process in connection with the
7 Complaint.
8

9 20. Rapid Cash obtained a default judgment against Ms. Harrison on October 26,
10 2009.
11

12 21. Ms. Harrison did not know that she had been sued by Rapid Cash until she was
13 garnished for the void default judgment, which garnishments caused her bank account to be
14 overdrawn.
15

16 **B. Eugene Varcados**
17

18 22. In 2008, Rapid Cash made a series of payday loans to Mr. Varcados pursuant to
19 written loan agreements.
20

21 23. Rapid Cash filed a complaint against Mr. Varcados in Justice Court, Las Vegas
22 Township, Clark County, Nevada, on or about October 10, 2008, for defaulting on the loans.
23

24 24. The Affidavit of Service for the Summons and Complaint purportedly served on
25 Mr. Varcados was served by an On Scene Mediations process server, notarized by Lizzie
26 Hatcher, and affirmed that process was both received and served personally on Mr. Varcados on
27 the same day, March 4, 2009.
28

29 25. Not only was Mr. Varcados not served on March 4, 2009, he was not served at
30 any other time by On Scene Mediations or any other server of process in connection with the
31 Complaint.
32

1 26. Rapid Cash obtained a default judgment against Mr. Varcados on December 17,
2 2009.

3 27. Mr. Varcados did not learn of the Rapid Cash lawsuit against him until his wages
4 began being garnished by Rapid Cash.
5

6 **C. Concepcion Quintino**

7 28. On or about May 20, 2006, Rapid Cash made a payday loan in the amount of
8 \$500.00 to Ms. Quintino pursuant to a written loan agreement.

9 29. Rapid Cash filed a complaint against Ms. Quintino in Justice Court, Las Vegas
10 Township, Clark County, Nevada, on or about October 6, 2008, for defaulting on the loan.
11

12 30. The Affidavit of Service for the Summons and Complaint purportedly served on
13 Ms. Harrison was signed by a "C. Mack," notarized by Maurice Carroll, and affirmed that
14 process was both received and served personally on Ms. Quintino on the same day, November
15 14, 2008.
16

17 31. Not only was Ms. Quintino not served on November 14, 2008, she was not
18 served at any other time by On Scene Mediations or any other server of process in connection
19 with the Complaint.

20 32. Rapid Cash obtained a default judgment against Ms. Quintino on August 19,
21 2009.
22

23 33. Ms. Quintino did not learn of the Rapid Cash lawsuit against her until her
24 paycheck was garnished.

25 **D. Mary Dungan**

26 34. On or about spring, 2009, Rapid Cash made a payday loan in the amount of
27 \$600.00 to Mary Dungan pursuant to a written loan agreement.
28

1 35. Rapid Cash filed a complaint against Ms. Dungan in Justice Court, Las Vegas
2 Township, Clark County, Nevada, on or about July 17, 2009, for defaulting on the loan.

3 36. The Affidavit of Service for the Summons and Complaint purportedly served on
4 Ms. Dungan was signed by a "J. Rivera," notarized by Maurice Carroll, and affirmed that
5 service was both received and made by personal service on Ms. Dungan on the same day, July
6 31, 2009.

7 37. Not only was Ms. Dungan not served on July 31, 2009, she was not served at any
8 other time by On Scene Mediations or any other server of process in connection with the
9 Complaint.
10

11 38. Rapid Cash obtained a default judgment against Ms. Dungan on October, 16,
12 2009.

13 39. Ms. Dungan did not know that she had been sued by Rapid Cash until her wages
14 were garnished.
15

16 IV.

17 GENERAL FACTUAL ALLEGATIONS -- DEFENDANTS

18 40. In late 2003, the Nevada Private Investigators Licensing Board, charged by law
19 with licensing process servers, issued Maurice Carroll individually and d/b/a On Scene
20 Mediations a \$2,500 citation for serving summons/complaints without a license. The Board
21 ordered Carroll to stop doing business. He did not do so.
22

23 41. One of Maurice Carroll's principal assistants, who signed many of the false
24 affidavits of service provided to and filed by Rapid Cash, was Defendant, Vilisia Coleman, who
25 during her employment, was a convicted felon.
26

27 42. On information and belief, the Las Vegas Metropolitan Police Department
28

1 ("Metro") has taken calls from people who complained that they were never served with process
2 from as early as 2004 and claimed that Maurice Carroll's company never served them the
3 required court papers, and default judgments were taken.
4

5 43. During 2004-2010, On Scene Mediations served as Rapid Cash's agent to fulfill
6 Rapid Cash's responsibility under JCRCP 4(a) to serve the Summons and a copy of the
7 Complaint on each defendant borrower.
8

9 44. Rapid Cash, by and through its employee and/or agent, On Scene Mediations,
10 practiced "sewer service," an egregious fraud against the Class (defined below) and the Justice
11 Courts of Clark County, Nevada whereby Rapid Cash failed to provide proper legal notification
12 to hundreds if not thousands of southern Nevadans facing Rapid Cash's payday loan lawsuits.
13

14 45. Lack of service deprived the Class of due process of law (Due Process Clause of
15 Nev. Art. 1, Sec. 8), resulting in hundreds if not thousands of void default judgments being
16 entered without the opportunity to respond or defend. The outcome was that Rapid Cash
17 obtained hundreds if not thousands of void default judgments and garnishments.
18

19 46. Rapid Cash filed 1,760 cases in 2004, 3,009 cases in 2005, 2,020 cases in 2006,
20 2,886 cases in 2007, 3,162 cases in 2008, and 3,826 cases in 2009, and typically employed On
21 Scene Mediations to serve process.
22

23 47. The affidavits of service of process submitted in support of those filings reflect
24 an unusually high percentage of personal service of process purportedly completed the same day
25 that On Scene Mediations received the summons, a highly dubious and suspicious achievement.
26

27 48. Sometime after January, 2009, when civil cases began being assigned to only two
28 Justices of the Peace in Clark County, Nevada, Las Vegas Township, the Court noticed this
unusual pattern, and the Court made counsel for Rapid Cash aware of the suspicious nature of

1 such representations.

2 49. Thus, Rapid Cash was on actual notice of or was willfully blind to and recklessly
3 disregarded this pattern, and continued to file such affidavits of service.
4

5 50. Another pattern becomes evident from Rapid Cash's Justice Court practices:
6 when a Rapid Cash defendant would move to set aside a default judgment on the basis of lack of
7 service, the Rapid Cash attorney---presumably with the express consent of his/her client, Rapid
8 Cash, and in any event an act done on behalf of Rapid Cash for which Rapid Cash is responsible
9 and charged with knowledge---would stipulate to set the default judgment aside instead of
10 having the process server come in and testify at an evidentiary hearing, suppressing discovery of
11 the fraud. This pattern points to guilty knowledge by Rapid Cash that it was filing falsified
12 affidavits of service.
13

14 51. On information and belief, Sergio Pinto, employed to serve process by Maurice
15 Carroll/On Scene Mediations, admitted to Metro that he was told by "the ladies in the office" to
16 falsify affidavits of service, claiming that he made service of process to individuals, but had not
17 done so.
18

19 52. On information and belief, Sergio Pinto told Metro that Maurice Carroll also
20 directed him to falsify affidavits of service.
21

22 53. On information and belief, Nickyta Lonsoria, employed to serve process by
23 Maurice Carroll/On Scene Mediations, admitted to Metro that she signed affidavits of service at
24 the direction of Maurice Carroll without ever having gone out to perform the services, in effect
25 falsifying Affidavits.
26

27 54. On information and belief, Maurice Carroll admitted to Metro that he had
28 falsified affidavits of service, but claimed that his office manager, Vilisia Coleman, told him the

1 documents had been served while he was out of town.

2 55. In August, 2010, Maurice Carroll and Vilisia Coleman were both criminally
3 indicted.

4 56. Coleman's criminal defense attorney, meanwhile, has stated the On Scene
5 Mediations sewer service policy was in place at Carroll's direction at the time she was hired.

6 57. Accordingly, at all times relevant herein, Rapid Cash knew or was on
7 constructive notice that Maurice Carroll and On Scene Mediations were not operating a licensed
8 process serving company.
9

10 58. At all times relevant herein, Rapid Cash knew, or was willfully blind to and
11 recklessly disregarded, or was on constructive notice that On Scene Mediations was providing
12 false affidavits of service to Rapid Cash, which Rapid Cash nevertheless proceeded to file in the
13 Justice Courts of Clark County, Nevada.
14

15 59. Rapid Cash, as the plaintiff in actions it filed in the Justice Courts of Clark
16 County, Nevada, was responsible for the service of the summons and complaint to each
17 defendant it sued. JCRCP 4(a); JCRCP 4(d)(6).
18

19 60. Rapid Cash did not properly serve members of the Class. Instead, Rapid Cash
20 employed On Scene Mediations, which it knew or should have known was not a licensed
21 process server, and which provided to Rapid Cash false affidavits of service claiming to have
22 completed service of process on the Class. The affidavits were sworn under penalty of perjury
23 and notarized, and filed by Rapid Cash.
24

25 61. Because those affidavits were not supported by proper service, the default
26 judgments obtained are void. *Gassett v. Snappy Car Rental*, 111 Nev. 1416, 906 P.2d 258
27 (1995).
28

1 62. Failure to provide notice of legal proceedings undermines the foundation of the
2 legal system. Due to repeated and persistently falsified affidavits of service, victims were not
3 notified of pending suits against them and therefore were deprived of due process of law. Nev.
4 Art. 1, Sec. 8.
5

6 63. As a direct result, Rapid Cash won void default judgments.

7 64. Rapid Cash's act of obtaining default judgments based on false affidavits of
8 service have a self-evident and serious but generic impact upon each member of the Class
9 regardless of individual circumstance. These impacts include but are not limited to: 1)
10 deprivation of due process of law, a fundamental, Constitutional right; 2) suffering of a default
11 judgment in a falsely and fraudulently inflated amount in that the judgment includes the cost of
12 service of process which was never made; and 3) lost opportunity to negotiate or repay a debt
13 without credit-damaging or public consequences.
14

15 65. Rapid Cash is entirely responsible for the acts of its employee and/or agent, On
16 Scene Mediations, under common law *respondere superior* and/or as its agent. Alternatively,
17 Rapid Cash is entirely responsible for the acts of On Scene Mediations in that it either
18 intentionally or negligently hired an unlicensed process server, and then either intentionally or
19 negligently failed to supervise and retained the unlicensed process server. Alternatively, Rapid
20 Cash is entirely responsible for the acts of On Scene Mediations in that Rapid Cash knew, or
21 was willfully blind to and recklessly disregarded, or should have known, and/or was on actual or
22 constructive notice that On Scene Mediations was unlicensed and allegedly served an
23 impossibly high number of people on a given day, or even at one given time, by a single process
24 server, and also that On Scene Mediations claimed to have successfully served process on the
25 same day that it was received in a very high number of cases, and thus Rapid Cash routinely
26
27
28

1 filed falsified returns of service of process against the Class, resulting in void default judgments
2 against the Class.

3
4 V.

5 **CLASS ACTION ALLEGATIONS**

6 66. This is a uniquely local class action on behalf of the victims of defendants' sewer
7 service that resulted in Rapid Cash obtaining default judgments against its customers in the
8 Justice Courts in Clark County, Nevada. The perpetration of this fraud in the Justice Courts of
9 Clark County, Nevada, makes this an intrastate controversy against a handful of distinctly local
10 defendants whose practices have deprived Rapid Cash customers of their rights under Nevada's
11 laws, court rules, and Constitution.

12
13 67. The Class Representatives bring this action individually and on behalf of all
14 others similarly situated pursuant to NRCP 23(a) and NRCP 23(b)(1), (b)(2), or (b)(3), and that
15 Class consists of:

16
17 **Customers of Rapid Cash offices in Clark County, Nevada, against whom**
18 **Rapid Cash obtained default judgments in the Justice Courts of Clark**
19 **County, Nevada, and for which the only evidence that the defendant**
20 **received service of process of Rapid Cash's lawsuit was an affidavit signed**
21 **by a representative of On Scene Mediations.**

22 68. Numerosity. Membership in the Class is so numerous as to make joinder of all
23 Class members impracticable. During the time period applicable to the Class, upon information
24 and belief, there were thousands of default judgments obtained by Rapid Cash employing On
25 Scene Mediations to serve process. Rapid Cash filed 1,760 cases in 2004, 3,009 cases in 2005,
26 2,020 cases in 2006, 2,886 cases in 2007, 3,162 cases in 2008, and 3,826 cases in 2009, and
27 typically employed On Scene Mediations to serve process. On information and belief, hundreds
28 if not thousands of defendants were never served, and void default judgments were obtained as a

1 result of this sewer service. The disposition of the Class's claims in a class action will obviate
2 the need for repeated individual adjudications of the same issues.

3 69. Commonality. There are questions of law or fact common to all members of the
4 Class that control this litigation and which predominate over any individual issues. The
5 common questions of law or fact include, but are not limited to, the following: (a) whether
6 Rapid Cash obtained void default judgments based on false affidavits of service in cases too
7 numerous to join together; (b) whether Rapid Cash is responsible for the acts of its employee
8 and/or agent On Scene Mediations; (c) whether, in hiring and supervising its employee and/or
9 agent On Scene Mediations to fulfill its JCRCP 4(a) responsibility to serve process, Rapid Cash
10 engaged in a fraud upon the Court; (d) whether, in hiring and supervising its employee and/or
11 agent On Scene Mediations to fulfill its JCRCP 4(a) responsibility to serve process, Rapid Cash
12 engaged in abuse of process; (e) whether, in hiring and supervising its employee and/or agent On
13 Scene Mediations to fulfill its JCRCP 4(a) responsibility to serve process, Rapid Cash was
14 negligent; (f) whether, in hiring and supervising its employee and/or agent On Scene Mediations
15 to fulfill its JCRCP 4(a) responsibility to serve process, Rapid Cash engaged in a civil
16 conspiracy; (g) whether in hiring and supervising its employee and/or agent, On Scene
17 Mediations, to fulfill its JCRCP 4(a) responsibility to serve process, Rapid Cash violated NRS
18 604A.415 in failing to collect a debt in a "fair and lawful manner;" (h) whether, at some point
19 during its employment of On Scene Mediations, Rapid Cash became aware of or was willfully
20 blind to and recklessly disregarded the fact that Rapid Cash was filing false returns of service in
21 its lawsuits against the Class such that it might be responsible for punitive damages; and (i)
22 whether the Class has a remedy for Defendants' actions as described and, if so, the nature of that
23 remedy.
24
25
26
27
28

1 70. Typicality. The claims of the Class Representatives are typical of the claims of
2 the Class in that each seeks the same remedies and relief upon the same legal theories and
3 operable facts, and the Class Representatives have no interest adverse to the interests of the
4 other members of the Class.
5

6 71. Adequacy of Representation. The Class Representatives and experienced Class
7 Counsel will fairly and adequately protect the interests of the Class.
8

9 72. Superiority. A class action is superior to other methods for the fair and efficient
10 adjudication of this controversy because, *inter alia*: (a) the prosecution of separate actions would
11 create a risk of inconsistent or varying adjudications; (b) Rapid Cash has acted on grounds
12 generally applicable to the Class, and has committed the same unlawful acts against the Class;
13 (c) the complexity of the issues involved, the size of the individual Class member's claims, and
14 the limited resources of the Class members would clearly make it impracticable for all
15 individual members of the Class to individually seek legal redress for the actions of Rapid Cash;
16 (d) this action would facilitate an orderly and expeditious resolution of the Class' claims, and
17 will foster economies of time, effort, and expense; (e) when the Court has adjudicated whether
18 Rapid Cash is liable, then the claims of all Class members may be determined by the Court; and
19 (f) this action presents no difficulty that would impede its maintenance by the Court as a class
20 action and is the best available means by which the Class Representatives and all Class members
21 may seek redress for the harm caused by Rapid Cash.
22
23

24 ...

25 ...

26 ...

27 ...

28 ...

VI.

INDEPENDENT ACTION IN EQUITY FOR FRAUD UPON THE COURT

(All Defendants)

73. Class Representatives incorporate all prior paragraphs as though fully set forth herein.

74. Rule 60(b) provides that the Rule "does not limit the power of a court to entertain an independent action . . . for fraud upon the court."

75. Rapid Cash's judgments against the Class ought not, in equity and good conscience, be enforced.

76. Each member of the Class has the same good defense to each judgment in that each judgment is void for lack of proper service.

77. Fraud, accident, or mistake on the part of Defendants prevented the Class from obtaining the benefit of his/her defense as Rapid Cash misrepresented to the Court that service was completed by filing false affidavits. This misrepresentation led the Court in each instance to believe that each member of the Class was aware of the Rapid Cash complaint and chose not to oppose the complaint. This fraud kept each member of the Class away from the court and deprived the Class of the opportunity to voice opposition to the complaint and/or the amounts Rapid Cash was requesting.

78. There is no fault or negligence on the part of the Class because the Class was not served with process. When Class members were later garnished, many unsophisticated Class members naturally assumed that Rapid Cash had acted legally because, after all, the Court had granted it judgment.

1 79. Without the relief afforded by this independent action, Class Representatives and
2 the Class have no adequate remedy at law.

3 80. To remedy the Defendants' fraud upon the Court, Class Representatives and the
4 Class are entitled to equitable relief including but not limited to the setting aside of the default
5 judgments secured against them by Rapid Cash.
6

7 81. Class Representatives and the Class have been required to obtain the services of
8 counsel to prosecute this action and are entitled to an award of attorneys fees and costs of suit
9 therefor.
10

11 VII.

12 ABUSE OF PROCESS 13 (All Defendants)

14 82. Class Representatives incorporate all prior paragraphs as though fully set forth
15 herein.

16 83. When initiating a lawsuit in Nevada, Rapid Cash is subject to the laws and rules
17 of the State of Nevada. By utilizing On Scene Mediations to undertake a legal process against
18 Class Representatives and the Class primarily to accomplish a purpose for which it was not
19 designed, Defendants have committed abuse of process.
20

21 84. Defendants had the ulterior motive of depriving Rapid Cash's customers of due
22 process of law or otherwise depriving them of rights and defenses by utilizing affidavits of
23 service that were known to be --- or which a reasonable person would have known to be --- false
24 and fraudulent.
25

26 85. Defendants' actions were willful in the use of the process, and not proper in the
27 regular conduct of the proceeding. *See Childs v. Selznick*, 2009 Nev. LEXIS 87, *3 (Nev. Sept.
28 28, 2009) (citations omitted), as evidenced, *inter alia*, by the facts that: 1) On Scene Mediations,

1 with the actual or constructive knowledge of Rapid Cash, was knowingly operating as an
2 unlicensed server; and 2) On Scene Mediations and its employees knew, and Rapid Cash knew
3 or should have known, that the affidavits they were submitting and filing were false and
4 fraudulent.
5

6 86. Therefore, Defendants abused the legal process to the detriment of the Class,
7 entitling the Class to equitable and/or legal relief, including compensatory damages.

8 87. Class Representatives and the Class have been required to obtain the services of
9 counsel to prosecute this action and are entitled to an award of attorneys fees and costs of suit
10 therefor.
11

12 VIII.

13 NEGLIGENT HIRING/SUPERVISION/RETENTION 14 (Rapid Cash)

15 88. Class Representatives incorporate all prior paragraphs as though fully set forth
16 herein.

17 89. To fulfill its JCRCP 4 responsibility for service of the summons and complaint,
18 Rapid Cash employed On Scene Mediations, who served as its agent.
19

20 90. As a result of this agency relationship, Rapid Cash is liable for any and all harm,
21 damage, and injury resulting from On Scene Mediations' conduct.

22 91. Rapid Cash was under a general duty to conduct a reasonable background check
23 or other reasonable investigation into On Scene Mediation's fitness for use as Rapid Cash's
24 process server.
25

26 92. Rapid Cash was required to anticipate negligent or tortious behavior by On Scene
27 Mediations because Rapid Cash either knew, or in the exercise of reasonable care might have
28 ascertained, that On Scene Mediations was not properly qualified to undertake the work.

1 Rapid Cash knew or should have known of On Scene Mediations' propensity for the conduct
2 that caused injury to the Class because, *inter alia*:

- 3 a) Rapid Cash began using On Scene Mediations after On Scene Mediations was
4 cited in 2003 for not being licensed;
5
6 b) On Scene Mediations gave Rapid Cash returns of service which were highly
7 suspicious to any honest and responsible person who cared to look. On Scene
8 Mediations provided Rapid Cash many false affidavits of service showing
9 successful service made on the same day the Summons was received, and all
10 achieving personal direct service on the Defendant, a highly dubious and
11 suspicious achievement. Rapid Cash knew, or should have known, that such
12 service is not possible and therefore Rapid Cash knew, or should have known,
13 that On Scene Mediations was negligent, or engaged in other wrongful conduct,
14 in completing the assignment Rapid Cash hired it to do.
15
16

17 93. On Scene Mediations acted as employee and/or agent for Rapid Cash when
18 effecting service of process. Therefore, Rapid Cash is responsible for On Scene Mediations'
19 tortious conduct in making false affidavits of service and in denying members of the Class the
20 basic right of due process of law.
21

22 94. Rapid Cash's negligent hiring, supervision, and/or retention of On Scene
23 Mediations has caused Class Representatives and the Class to suffer damages in excess of ten
24 thousand dollars.

25 95. Class Representatives and the Class have been required to obtain the services of
26 counsel to prosecute this action and are entitled to an award of attorneys fees and costs of suit
27 therefor.
28

IX.

**NEGLIGENCE
(All Defendants)**

96. Process servers and others tasked with the obligation to serve process owe a duty of due care to the persons upon whom service is to be effectuated.

97. Both Rapid Cash (under JCRCP4) and Maurice Carroll/On Scene Mediations/Vilisia Coleman (as Rapid Cash's hired process server) had a duty of care to ensure that members of the Class were properly served. Both Rapid Cash and Maurice Carroll/On Scene Mediations/Vilisia Coleman breached that duty and failed to exercise due care when Maurice Carroll/On Scene Mediations/Vilisia Coleman, acting as an agent of Rapid Cash, did not properly serve the Class; Rapid Cash further breached its duty and failed to exercise due care when it failed to ensure that Maurice Carroll/On Scene Mediations/Vilisia Coleman was licensed, that Maurice Carroll/On Scene Mediations/Vilisia Coleman properly served defendants, and after receiving numerous affidavits which showed Maurice Carroll/On Scene Mediations/Vilisia Coleman could not have personally served defendants as quickly as claimed, Rapid Cash continued using Maurice Carroll/On Scene Mediations/Vilisia Coleman.

98. Defendants' negligence has directly and proximately caused Class Representatives and the Class to suffer damages in an amount in excess of ten thousand dollars and require the services of counsel to prosecute this action. As a result, they are entitled to equitable relief, actual and compensatory damages, attorneys fees, and costs of suit.

...

...

...

...

X.

**CIVIL CONSPIRACY
(All Defendants)**

99. Class Representatives incorporate all prior paragraphs as though fully set forth herein.

100. Defendants and each of them conspired with one another with the intention of causing debtors (all Class members) to default when sued, by deliberately failing to serve them. This act deprived members of the Class of their right to due process of law (Due Process Clause of Nev. Art. I, Section 8). The result of this conspiracy was that Rapid Cash obtained void default judgments in violation of court rules and due process of law, and further in amounts that included costs of service that was never made and which included amounts the Class lost the opportunity to compromise.

101. Defendants agreed to deprive members of the Class the opportunity to oppose the complaints against them in violation of court rules, public policy, and the Due Process Clause of Nev. Art. I, Section 8, resulting in void default judgments for Rapid Cash to the damage of the Class.

102. The conspiracy damaged members of the Class because default judgments were entered against them without due process of law and included costs of service that was never made; as notice is fundamental to due process, damage, even if nominal, is inherent in being deprived of a fundamental right.

103. This conspiracy has directly and proximately caused Class Representatives and the Class to suffer fraudulent default judgments against them, suffer damages in an amount in excess of ten thousand dollars, and require the services of counsel to prosecute this action. As a

1 result, they are entitled to equitable relief, actual and compensatory damages, attorneys fees, and
2 costs of suit.

3 104. Defendants' actions were fraudulent, intentional, and/or malicious, and Class
4 Representatives and the Class are also entitled to punitive damages in an amount to be
5 determined at trial.
6

7 **XI.**

8 **VIOLATION OF NRS CHAPTER 604A**
9 **(Rapid Cash)**

10 105. Class Representatives incorporate all prior paragraphs as though fully set forth
11 herein.

12 106. Rapid Cash is licensed, operates, and is subject to the provisions of NRS Chapter
13 604A.
14

15 107. NRS 604A.415(1) provides: "If a customer defaults on a loan, the licensee may
16 collect the debt owed to the licensee only in a professional, fair and lawful manner."
17

18 108. Rapid Cash violated NRS 604A.415(1) when in collecting the debt owed by a
19 customer who had defaulted, it failed to act in a fair and lawful manner in that it: (a) hired On
20 Scene Mediations to fulfill its responsibility to serve summons and complaint on the Class when
21 it knew or should have known that On Scene Mediations was unlicensed, (b) continued to
22 employ and failed to supervise On Scene Mediations to fulfill its responsibility to serve
23 summons and complaint on the Class after it knew or should have known On Scene Mediations
24 was falsifying returns of service, (c) obtained void default judgments based on invalid service of
25 process; and (d) failed to voluntarily set aside all void default judgments obtained against the
26 Class once it learned of On Scene Mediations' pattern of conduct.
27
28

1 109. Rapid Cash's violations of NRS 604A.415(1) entitle Class Representatives and
2 the Class to recover damages under NRS 604A.930.

3 110. Rapid Cash's conduct was intentional, willful, fraudulent and/or malicious and
4 Rapid Cash is therefore liable for punitive or exemplary damages in an amount sufficient to
5 punish Rapid Cash and to deter others from like conduct, under NRS 604A.930(1).
6

7 111. For willful violation of the provisions of NRS Chapter 604A, Rapid Cash's loans
8 are void and Rapid Cash is not entitled to collect, receive or retain any principal, interest or
9 other charges or fees with respect to the loans as provided in NRS 604A.900(1).
10

11 112. Class Representatives and the Class are further entitled to attorney's fees and
12 costs of suit pursuant to NRS 604A.930.

13 **XII.**

14 **VIOLATION OF NRS CHAPTER 598**
15 **(All Defendants)**

16 113. Class Representatives incorporate all prior paragraphs as though fully set forth
17 herein.

18 114. NRS Chapter 598 imposes obligations upon anyone "in the course of his or her
19 business or occupation," NRS 598.0915 et seq.
20

21 115. Rapid Cash, by and through its employee or agent, On Scene Mediations,
22 knowingly made a false representation in a transaction in violation of NRS 598.0915(15) when
23 it falsely represented to the Court that proper service of process had been made upon the Class.
24

25 116. On Scene Mediations violated NRS 598.0923(1) when, in the course of its
26 business or occupation, it conducted the business or occupation without all required state,
27 county, or city licenses in violation of NRS 598.0923(1).
28

000025

JURY TRIAL DEMAND

XIV.

4. Compensatory damages, as well as restitution of all costs of service paid by a Class member where service of process was not made;

6. For violation of the provisions of NRS Chapter 604A, pursuant to NRS 604A.900(1), a declaration that all of Rapid Cash's written loan contracts with the Class are void and that Rapid Cash is not entitled to collect, receive or retain any principal, interest or other charges or fees with respect to the loans, and an injunction against collection of same;

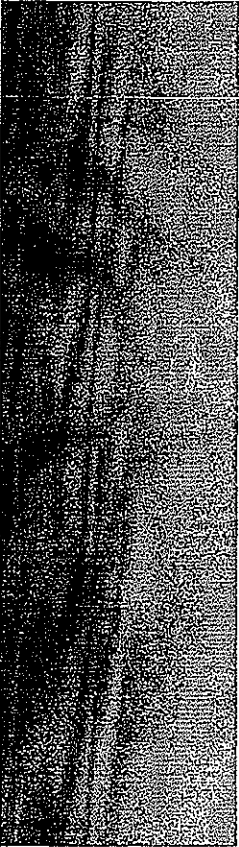
10. Any such other and further relief as the Court deems just and equitable.

LEGAL AID CENTER OF
SOUTHERN NEVADA, INC.

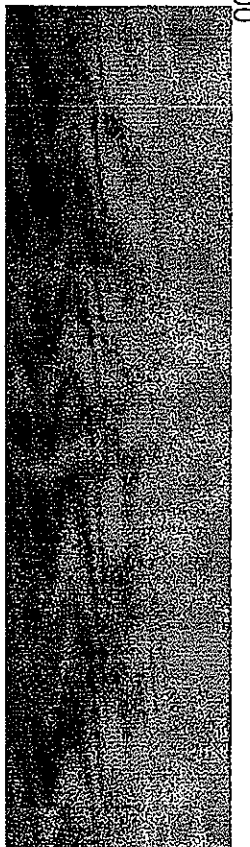
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Las Vegas, Nevada 89169
Attorneys for Class Representatives/Putative
Class Counsel



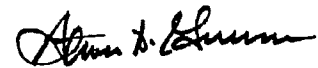
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CLERK OF THE COURT

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Cash, Granite Financial Services, Inc., d/b/a
Rapid Cash, FMMR Investments, Inc., d/b/a
Rapid Cash, Prime Group, Inc., d/b/a Rapid
Cash and Advance Group, Inc., d/b/a Rapid
Cash

DISTRICT COURT

CLARK COUNTY, NEVADA

CASANDRA HARRISON; EUGENE
VARCADOS; CONCEPCION QUINTINO; and
MARY DUNGAN, individually and on behalf of
all persons similarly situated,

Plaintiffs,

vs.

PRINCIPAL INVESTMENTS, INC. d/b/a
RAPID CASH; GRANITE FINANCIAL
SERVICES, INC. d/b/a RAPID CASH; FMMR
INVESTMENTS, INC. d/b/a RAPID CASH;
PRIME GROUP, INC. d/b/a RAPID CASH;
ADVANCE GROUP, INC. d/b/a RAPID CASH;
MAURICE CARROLL, individually and d/b/a
ON SCENE MEDIATIONS; VILISIA
COLEMAN, and DOES I through X, inclusive,

Defendants.

CASE NO. A-10-624982-B
DEPT. NO. XI

AFFIDAVIT OF RICHARD DUKE GEE

I, Richard Duke Gee, being duly sworn, depose and states as follows:

1. I am over 18 years of age and I am competent to testify regarding the matters in
this Affidavit.

...

2. I am the Vice President of Store Operations of the above captioned defendants d/b/a "Rapid Cash". My job responsibilities include, among other things, overseeing and managing personnel, making loans to customers, retaining and scanning records for the companies, and the servicing of loans.

3. I am authorized to make this Affidavit on behalf of the defendants and the facts set forth herein are based upon my personal knowledge including my review of the business records maintained and created in the regular course of business on the relevant loans.

MARY DUNGAN

4. Mary Dungan ("Dungan") sought a \$600.00 loan in February 2009. On February 25, 2009, she entered into the "Deferred Deposit Agreement & Disclosure Statement" ("Agreement"). A true and correct copy of the Agreement is attached hereto as **Exhibit A**.

5. The third page of the Agreement contained the heading in bold face and capitalization: "**ARBITRATION PROVISION.**" Immediately thereafter, the Arbitration Provision provided in capitalized letters:

VERY IMPORTANT. READ THIS ARBITRATION PROVISION CAREFULLY. IT SETS FORTH WHEN AND HOW CLAIMS (AS DEFINED IN SECTION 2 BELOW) WHICH YOU OR WE HAVE AGAINST ONE ANOTHER WILL BE ARBITRATED INSTEAD OF LITIGATED IN COURT. IF YOU DON'T REJECT THIS ARBITRATION PROVISION IN ACCORDANCE WITH SECTION 1 BELOW, UNLESS PROHIBITED BY APPLICABLE LAW. IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY IN WHICH YOU OR WE RESOLVE ANY CLAIM WHICH YOU OR WE HAVE AGAINST EACH OTHER NOW OR IN THE FUTURE.

6. The Arbitration Provision provided "that either party may elect to require arbitration of any Claim."

7. The Arbitration Provision allowed Dungan the ability to opt-out of arbitration within 30 days by providing a written notice:

1. RIGHT TO REJECT ARBITRATION. If you do not want this Arbitration Provision to apply, you may reject it within 30 days after the date of your application ("Application") for check cashing, credit, loan or other services from us ("Services") [by delivering to us at any of our offices or] by mailing to us in care of

1 Tiger Financial Management, LLC, Attn: Legal Department, 3527
 2 North Ridge Road, Wichita, Kansas 67205, a written rejection
 3 notice which provides your name, address, the date of the
 4 Application, the address of the store where you submitted the
 5 Application and states that you are rejecting the related Arbitration
 6 Provision. If you want proof of the date of such a notice, you
 7 should send the notice by "certified mail, return receipt requested."
 8 If you use such a method, we will reimburse you for the postage
 9 upon your request. Nobody else can reject arbitration for you; this
 10 is the only way you can reject arbitration. Your rejection of
 11 arbitration will not affect your right to Services or the terms of
 12 Services. If you reject this Arbitration Provision, it shall have the
 13 effect of rejecting any prior arbitration provision or agreement
 14 between you and us that you did not have the right to reject; it will
 15 not affect any prior arbitration provision or agreement which you
 16 had a right to reject that you did not exercise.

17 Arbitration Provision at ¶ 1 (boldface in original). As stated above, Dugan's exercise of the opt-
 18 out right would have had no affect on her ability to obtain a loan or the terms of her loan.

19 8. Rapid Cash has no record that Dungan sought to exercise her right to opt-out of
 20 the Arbitration Provision. If she had exercised said right, Rapid Cash would have a record of the
 21 opt-out. Consequently, Dungan did not opt-out.

22 9. The Arbitration Provision broadly defined "Claim" to cover every conceivable
 23 dispute: "The term 'Claim' means any claim, dispute or controversy between you and us
 24 (including 'related parties' identified below) that arises from or relates in any way to Services
 25 you request or we provide, now, in the past or in the future; the Application (or any prior or
 26 future application); any agreement relating to Services ('Services Agreement'); any of our
 27 marketing, advertising, solicitations and conduct relating to your request for Services; our
 28 collection of any amounts you owe; our disclosure of or failure to protect any information about
 you; or the validity, enforceability or scope of this Arbitration Provision." Arbitration Provision
 at ¶ 2. The Arbitration Provision defined "Services" as including a loan. *Id.* at ¶ 1.

10. The Arbitration Provision requires the individual arbitration of all Claims:

**5. NO CLASS ACTIONS OR SIMILAR PROCEEDINGS;
 SPECIAL FEATURES OF ARBITRATION. IF YOU OR WE
 ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR WE
 WILL HAVE THE RIGHT TO: (A) HAVE A COURT OR A
 JURY DECIDE THE CLAIM; (B) OBTAIN INFORMATION**

PRIOR TO THE HEARING TO THE SAME EXTENT THAT YOU OR WE COULD IN COURT; (C) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR CLASS OPPONENT; (D) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (E) JOIN OR CONSOLIDATE CLAIM(S) INVOLVING YOU WITH CLAIMS INVOLVING ANY OTHER PERSON. THE RIGHT TO APPEAL IS MORE LIMITED IN ARBITRATION THAN IN COURT. OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

Arbitration Provision at ¶ 5 (boldface in original).

11. In the event of a successful individual arbitration, the Arbitration Provision provides that the award to Dungan would be increased to the jurisdictional limit of the small claims court with jurisdiction plus \$100.00:

In addition, if you prevail in an individual (non-class) arbitration against us in which you are seeking monetary relief from us, we agree that the arbitrator shall award as the minimum amount of your damages (excluding arbitration fees and attorneys' fees and costs, if any) an amount that is \$100 greater than the jurisdictional limit of the small claims court (or your state's equivalent court) in the county in which you reside. For example, if such a court can decide claims up to \$5,000, then if you prevail in an individual arbitration, you will receive a minimum of \$5,100 even if the amount you would otherwise be entitled to receive is less than that amount.

Arbitration Provision at ¶ 8.

12. The Arbitration Provision provides that it is governed by the Federal Arbitration Act: "This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA, and not Federal or state rules of civil procedure or evidence or any state laws that pertain specifically to arbitration, provided that the law of Kansas, where we are headquartered, shall be applicable to the extent that any state law is relevant in determining the enforceability of this Arbitration Provision under Section 2 of the FAA." Id.

13. The Arbitration Provision provides that Rapid Cash will consider paying all of the costs of arbitration and the arbitrator may award the successful borrower his attorneys' fees:

We will consider any good faith request you make for us to pay the administrator's or arbitrator's filing, administrative, hearing and/or other fees if you cannot obtain a waiver of such fees from the administrator and we will not seek or accept reimbursement of any such fees. We will also pay any fees or expenses we are required by law to pay or that we must pay in order for this Arbitration Provision to be enforced. Each party must normally pay for its own attorneys, experts and witnesses. However, we will pay all such reasonable fees and costs you incur if you are the prevailing party and/or where required by applicable law and/or the administrator's rules. The arbitrator shall not limit the attorneys' fees and costs to which you are entitled because your Claim is for a small amount. Also, to the extent permitted by applicable law and provided in any Services Agreement, you will pay any reasonable attorneys' fees, collection costs and arbitration fees and costs we incur if we prevail in an arbitration in which we seek to recover any amount owed by you to us under the Services Agreement.

Arbitration Provision at ¶ 4.

14. Rapid Cash does elect to arbitrate on an individual basis the claims asserted by Dungan in this matter.

CASANDRA HARRISON

15. Casandra Harrison ("Harrison") sought a \$582.00 loan in March 2009. On March 5, 2009, she entered into the "Deferred Deposit Agreement & Disclosure Statement" ("March 5 Agreement"). A true and correct copy of the March 5 Agreement is attached hereto as **Exhibit B**.

16. Harrison sought a second loan in late March 2009 in the amount of \$400.00. On March 19, 2009, she entered into the "Deferred Deposit Agreement & Disclosure Statement" ("March 19 Agreement"). A true and correct copy of the March 19 Agreement is attached hereto as **Exhibit C**.

17. Both the March 5, 2009 Agreement and the March 19, 2009 Agreement contained the same Arbitration Provision as contained in Dungan's Agreement.

18. Rapid Cash has no record that Harrison sought to exercise her right to opt-out of the Arbitration Provision. If she had exercised said right, Rapid Cash would have a record of the opt-out. Consequently, Harrison did not opt-out.

1 19. Rapid Cash does elect to arbitrate on an individual basis the claims asserted by
2 Harrison in this matter.

3 **EUGENE VARCADOS**

4 20. Eugene Varcados ("Varcados") sought a \$500.00 loan in April 2008. On April
5 30, 2008, he entered into the "Deferred Deposit Agreement & Disclosure Statement" ("April
6 Agreement"). A true and correct copy of the April Agreement is attached hereto as **Exhibit D**.

7 21. Varcados sought a second loan in May 2008 in the amount of \$500.00. On May
8 24, 2008, he entered into the "Deferred Deposit Agreement & Disclosure Statement" ("May
9 Agreement"). A true and correct copy of the May Agreement is attached hereto as **Exhibit E**.

10 22. Varcados sought a third loan in June 2008 in the amount of \$500.00. On June 6,
11 2008, he entered into the "Deferred Deposit Agreement & Disclosure Statement" ("June
12 Agreement"). A true and correct copy of the June Agreement is attached hereto as **Exhibit F**.

13 23. Varcados sought a fourth loan in late June 2008 in the amount of \$500.00. On
14 June 21, 2008, he entered into the "Deferred Deposit Agreement & Disclosure Statement" ("June
15 21 Agreement"). A true and correct copy of the June 21 Agreement is attached hereto as **Exhibit**
16 **G**.

17 24. All four Agreements contained the same Arbitration Provision as contained in
18 Dungan's Agreement.

19 25. Rapid Cash has no record that Varcados sought to exercise his right to opt-out of
20 the Arbitration Provision. If he had exercised said right, Rapid Cash would have a record of the
21 opt-out. Consequently, Varcados did not opt-out.

22 26. Rapid Cash does elect to arbitrate on an individual basis the claims asserted by
23 Varcados in this matter.

24 **CONCEPCION QUINTINO**

25 27. Concepcion Quintino ("Quintino") sought a \$510.00 loan in April 2006. On
26 April 21, 2006, he entered into the "Deferred Deposit Agreement & Disclosure Statement"
27 ("April Agreement"). A true and correct copy of the April Agreement is attached hereto as
28 **Exhibit H**.

1 28. Quintino sought a second loan in late May 2006 in the amount of \$510.00. On
2 May 5, 2006, he entered into the "Deferred Deposit Agreement & Disclosure Statement" ("May
3 Agreement"). A true and correct copy of the May Agreement is attached hereto as **Exhibit I**.

4 29. Quintino sought a third loan in late May 2006 in the amount of \$510.00. On May
5 19, 2006, he entered into the "Deferred Deposit Agreement & Disclosure Statement" ("May 19
6 Agreement"). A true and correct copy of the May 19 Agreement is attached hereto as **Exhibit J**.

7 30. All three agreements permitted Quintino one day within which to rescind without
8 being responsible for any finance charge. Rapid Cash has no record that Quintino sought to
9 exercise his right to rescind. If he had exercised said right, Rapid Cash would have a record of
10 his election. Consequently, Quintino did not rescind any of his loans.

11 31. All three Agreements contain the identical "**Agreements for Resolving**
12 **Disputes.**"

13 32. The Agreements broadly define the word Claims:

14 **Meaning of "Claims."** "Claims means any and all claims,
15 disputes or controversies that arise under common law, federal or
16 state statute or regulation, or otherwise, and that we or our
17 servicers or agents have against you or that you have against us,
18 our servicers, agents, directors, officers and employees. "Claims"
19 also includes any and all claims that arise out of (i) the validity,
20 scope and/or applicability of this Mediation Agreement or the
21 Arbitration Agreement appearing below, (ii) your application for a
22 Loan, (iii) the Agreement, (iv) any prior agreement between you
23 and us, including any prior loans we have made to you or (v) our
24 collection of any Loan. "Claims" also includes all claims asserted
25 as a representative, private attorney general, member of a class or
26 in any other representative capacity, and all counterclaims, cross-
27 claims and third party claims.

28 Agreements at page 2.

33. The Agreements for Resolving Disputes also contains an Arbitration Agreement
providing for individual arbitration in the event the parties are unable to resolve their Claims in
mediation. Agreements at page 3.

34. The Arbitration Agreement allows Quintino to select the arbitration
administrator. Agreements at page 3.

1 35. The Arbitration Agreement provides that it is governed by the Federal Arbitration
2 Act. Agreements at page 3

3 36. Finally, the Arbitration Agreement allows Quintino the right to bring a claim in
4 small claims or Justice Court. Agreements at page 3.

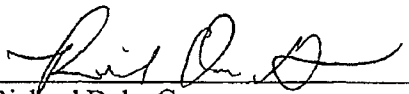
5 37. All three agreements contain an arbitration agreement where Quintino was to first
6 seek mediation of any disputes and if mediation was unsuccessful, then submit the matter to
7 binding arbitration. Quintino has not sought to exercise his right to mediation or presented the
8 matter to arbitration.

9 38. Rapid Cash invokes its right to mediate and if necessary arbitrate Quintino's
10 individual claims brought against it.

11 All of the foregoing are true to the best of my knowledge and this Affidavit is made
12 subject to the penalties of perjury.

13 WHEREFOR AFFIANT SAYETH FURTHER NAUGHT

14 Executed this 23 day of September, 2010 at Las Vegas, Clark County, Nevada.

15 
16 Richard Duke Gee

17
18 CLARK COUNTY }
19 } ss.
20 STATE OF NEVADA }

21 This instrument was acknowledged before me on 23rd day of September, 2010 by
22 Richard Duke Gee, as Vice President of Store Operations of Principal Investments, Inc.,
23 Advance Group, Inc. and FMMR Investments, Inc. all dba "Rapid Cash".

24 SUBSCRIBED AND SWORN to before me
25 this 23rd day of September, 2010.

26 
27 NOTARY PUBLIC in and for said
28 County and State

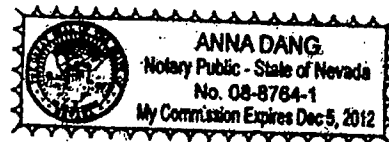


EXHIBIT A

Deferred Deposit Agreement & Disclosure Statement

Customer: **MARY DUNGAN**
553 CELLARS PL
HENDERSON, NV 89011

Lender: **FMMR Investments, Inc. dba Rapid**
4241 S. Nellis
Las Vegas, NV 89121
(702)454-8770

Check Number: 5292 Check Amount: \$705.88 Agreement Date 02/25/09 Due Date (Date of Check): 03/13/09

ITEMIZATION OF AMOUNT FINANCED OF	\$600.00
New Applicant Fee.....	\$0.00
Amount Paid Directly To You	\$600.00
Amount Paid On Your Account.....	\$0.00

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. <u>402.56%</u>	FINANCE CHARGE The dollar amount the credit will cost you. <u>\$105.88</u>	Amount Financed The amount of credit provided to you or on your behalf. <u>\$600.00</u>	Total of Payments The amount you will have paid after you have made all payments as scheduled. <u>\$705.88</u>
--	---	--	---

Payment Schedule: One payment in the amount of \$705.88 due on 03/13/09
 (Month) (Day) (Year)

Prepayment: If you pay off early, you will not be entitled to a refund of any part of the finance charge. See the information below about nonpayment and default.

No Security Interest. No security interest is given or taken in connection with this transaction except other than any security in your Check that may arise by operation of law.

AGREEMENT

This Agreement contains important terms and conditions affecting your loan. **Read it carefully before you sign it.**

Definitions. Certain words used in this Agreement have special meanings. The word "Agreement" means this Deferred Deposit Agreement & Disclosure Statement. The words "you" and "your" means the person signing this Agreement. The words "we," "us" and "our" mean Advance Group, Inc., Principal Investments, Inc. or FMMR Investments, Inc. each doing business as Rapid Cash. The word "loan" means the deferred deposit transaction governed by this Agreement. The words "due date" mean the due date shown above and in the Payment Schedule shown in the box above. The boxed-in disclosures above are part of the terms and conditions of your Agreement with us.

Promise to Pay. You promise to pay us the "Total of Payments" in the box above, which includes a Finance Charge, on the due date.

Deferred Deposit. You are giving us your personal check, identified above by check number. We will not deposit your check until the due date. You promise that on the due date, you will have enough money available in your account to repay your loan. You promise that you will not close your account or place a stop payment on the check.

Our Fee. Our single charge fee for making the loan appears in the box above and is expressed as a dollar amount (Finance Charge) and an Annual Percentage Rate. The Annual Percentage Rate above is based upon that fee being an add-on finance charge, which is fully earned by us as of the date of this Agreement.

No Collateral. We are not allowed to accept any collateral except other than any security interest in your Check that may arise by operation of law.

Extensions. At any time prior to the due date, you may request an extension of this loan. We may grant or deny your request in our sole discretion. If we grant your request, you will be required to pay the Finance Charge shown above and sign a new Deferred Deposit Agreement. You will be required to pay your loan in full, including an additional Finance Charge, on the new due date. The terms of the extension, including the additional finance charge, will be described in the new Deferred Deposit Agreement. You agree to provide us a new check for the balance due on the new due date. The due date for any extension cannot be later than 60 days from the date the original loan was due.

Option to Rescind. You may cancel this loan without paying the Finance Charge. To do so, you must pay us all amounts that we have given you under this Agreement no later than the close of business on the next business day following the date of this Agreement. Your payment must be in the form of cash. If we receive your payment on time, we will return your check and cancel your loan.

Prepayment. You may prepay your Loan in full or in part with no additional charge. If you pay off early, you will not be entitled to a refund of any part of the finance charge. The finance charge constitutes a single charge for making the loan. Any partial payments you make will be applied first to fees and costs, then to finance charges, then to principal.

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Page 1 of 5

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Electronic Check Deposit. The check that you have given to us for payment of your obligation under this Agreement may be presented to your bank as an Electronic Funds Transfer ("EFT") through the Automated Clearing House (ACH) network. We may initiate a debit entry to your checking account in order to receive payment. We may do so where the check is lost, misplaced or destroyed or it is more practical to conduct an EFT rather than deposit your check. In other circumstances, we may process your payment and deposit your check. In cases where we utilize an EFT for payment, funds may be withdrawn from your account quickly sometimes the same date as your loan is due and you will not receive your check back from your financial institution. By signing this Agreement, you authorize us to electronically deposit and collect on your check in the amount of the Total of Payments shown in this Agreement. Your authorization to EFT your account will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice.

Nonpayment and Default. You will be in default if the Total of Payments is not paid in full by the due date. If you default on your obligations, in addition to the amounts you owe us, we may charge you interest for 90 days from the date of your default at the rate equal to the prime rate of the largest bank in the State of Nevada (as ascertained by the Nevada Commissioner of Financial Institutions), plus ten percent. If your payment either by check or EFT is not paid upon presentment because of NSF or Account Closed you will be charged a return check charge of \$25.00. If you default on this loan you have the opportunity within 30 days of the default to enter into a repayment plan with a term of at least 90 days. We will offer the repayment plan to you before we commence any civil action or process of alternative dispute resolution.

Authorizations to Collect Debt Upon Default. You authorize us to withdraw from your bank account the amount you owe us according to this or any former Agreement. We may make this withdrawal by re-presenting your check electronically, and/or by using one or more, in varied amounts paper or EFT debits not to exceed the amount owed to us. Your EFT debit authorization extends to the bank account listed on your original check or any other bank account maintained by you wherever located. If you provide us with a Visa or MasterCard check, debit or credit card (collectively the "Card") you also authorized us, denoted by your signature on this Agreement to charge, submit and collect all amounts due to us. We may submit these charges to your Card one or more times until the total amount owed to us is paid in full. Your authorization to ACH and to charge your Card will remain in full force and effect until you terminate it by giving us written notice at the address listed on this Agreement and until we have had a reasonable opportunity to act on your notice. We may not require repayment of loans by preauthorized electronic transfers. You voluntarily authorize the above collection of the Total of Payments by electronic means from your bank account and Card. You may withdraw such voluntary consent by writing to us at our business address set forth above.

Offset. You agree that by law and this Agreement we or our agents may offset (deduct) any sums owed to us from any checks presented to us now or in the future for cashing. The amount owed to us includes any legitimate reason including, but not limited to, returned checks, return check charges, defaulted loans or additional collection costs that you have incurred with us or one of our affiliates.

Credit Reporting. You agree that we may make inquiries concerning your credit history and standing, and we may report information concerning your performance under this Agreement to credit reporting agencies.

Telephone Calls - Monitoring: You agree that if you are past due or in default, you will accept calls from us or a third party we have contracted with regarding the collection of your Account. You understand these calls could be automatically dialed and a recorded message may be played. You agree such calls will not be unsolicited calls for purposes of state and federal law. If you provide us with a wireless or cellular telephone number, you agree that we may place calls to that number which may result in charges from your wireless or cellular carrier. You also agree that, from time to time, we may monitor telephone conversations between you and us to assure the quality of our customer service.

Agreements for Resolving Disputes: You agree to the Agreements for Resolving Disputes in this Agreement. Except as otherwise provided in the Agreements for Resolving Disputes, this Agreement will be governed by the laws of the State of Nevada. If any part of this Agreement is found to be unenforceable, that part will be deemed severed from the Agreement, and the remaining provisions will be enforced to the fullest extent allowed by law.

Agreements for Resolving Disputes

PRE-DISPUTE RESOLUTION PROCEDURE

In the event that you or we have a claim that arises from or relates to any check cashing, credit, loan or other services you request or we provide ("Services"), before commencing, joining or participating in any judicial or arbitration proceeding, as either an individual litigant or member of a class ("Proceeding"), the complaining party shall give the other party or any "related party": (1) at least 15 days' written notice of the claim ("Claim Notice"), explaining in reasonable detail the nature of the claim and any supporting facts; and (2) a reasonable good faith opportunity to resolve the claim without the necessity of a Proceeding. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); and our and their employees, directors, officers, shareholders, governors, managers and members. Any Claim Notice to us shall be sent in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205 (or such other address as we shall subsequently provide to you) or to you at your address appearing in our records or, if you are represented by an attorney, to your attorney at his or her office address. Nothing in this paragraph is intended to affect or modify in any fashion any separate Arbitration Provision between you and us.

ARBITRATION PROVISION

VERY IMPORTANT. READ THIS ARBITRATION PROVISION CAREFULLY. IT SETS FORTH WHEN AND HOW CLAIMS (AS DEFINED IN SECTION 2 BELOW) WHICH YOU OR WE HAVE AGAINST ONE ANOTHER WILL BE ARBITRATED INSTEAD OF LITIGATED IN COURT. IF YOU DON'T REJECT THIS ARBITRATION PROVISION IN ACCORDANCE WITH SECTION 1 BELOW, UNLESS PROHIBITED BY APPLICABLE LAW, IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY IN WHICH YOU OR WE RESOLVE ANY CLAIM WHICH YOU OR WE HAVE AGAINST EACH OTHER NOW OR IN THE FUTURE.

Unless prohibited by applicable law and unless you reject the Arbitration Provision in accordance with Section 1 below, you and we agree that either party may elect to require arbitration of any Claim under the following terms and conditions:

1. RIGHT TO REJECT ARBITRATION. If you do not want this Arbitration Provision to apply, you may reject it within 30 days after the date of your application ("Application") for check cashing, credit, loan or other services from us ("Services") [by delivering to us at any of our offices or] by mailing to us in care of Tiger Financial Management, LLC, Attn: Legal Department, 3527 North Ridge Road, Wichita, Kansas 67205, a written rejection notice which provides your name, address, the date of the Application, the address of the store where you submitted the Application and states that you are rejecting the related Arbitration Provision. If you want proof of the date of such a notice, you should send the notice by "certified mail, return receipt requested." If you use such a method, we will reimburse you for the postage upon your request. Nobody else can reject arbitration for you; this is the only way you can reject arbitration. Your rejection of arbitration will not affect your right to Services or the terms of Services. If you reject this Arbitration Provision, it shall have the effect of rejecting any prior arbitration provision or agreement between you and us that you did not have the right to reject; it will not affect any prior arbitration provision or agreement which you had a right to reject that you did not exercise.

2. DEFINITION OF "CLAIM." The term "Claim" means any claim, dispute or controversy between you and us (including "related parties" identified below) that arises from or relates in any way to Services you request or we provide, now, in the past or in the future; the Application (or any prior or future application); any agreement relating to Services ("Services Agreement"); any of our marketing, advertising, solicitations and conduct relating to your request for Services; our collection of any amounts you owe; our disclosure of or failure to protect any information about you; or the validity, enforceability or scope of this Arbitration Provision. "Claim" is to be given the broadest possible meaning and includes claims of every kind and nature, including but not limited to, initial claims, counterclaims, cross-claims and third-party claims, and claims based on any constitution, statute, regulation, ordinance, common law rule (including rules relating to contracts, negligence, fraud or other intentional wrongs) and equity. It includes disputes that seek relief of any type, including damages and/or injunctive, declaratory or other equitable relief. Notwithstanding the foregoing, "Claim" does not include any individual action brought by you in small claims court or your state's equivalent court, unless such action is transferred, removed, or appealed to a different court, or any assertion that Section 3(C), (D) and/or (E) below is invalid or unenforceable; any such actions and assertions of this kind will be resolved by a court and not an arbitrator. "Claim" also does not include any "self-help remedy" (that is, any steps taken to enforce rights without a determination by a court or arbitrator, for example, repossession and/or re-titling of a motor vehicle) or any individual action by you or us to prevent the other party from using any self-help remedy, so long as such self-help remedy or individual judicial action does not involve a request for monetary relief of any kind. Even if all parties have elected to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or any new Claim asserted in that lawsuit, and nothing in that litigation shall constitute a waiver of any rights under this Arbitration Provision. This Arbitration Provision will apply to all Claims, even if the facts and circumstances giving rise to the Claims existed before the effective date of this Arbitration Provision. Our "related parties" are any parent company and affiliated entities (including Ad Astra Recovery Services, Inc.); our and their employees, directors, officers, shareholders, governors, managers and members; and any third parties who are parties in a legal proceeding involving you and us.

3. STARTING AN ARBITRATION. Before starting an arbitration (or a judicial proceeding), you or we must comply with any other agreement between you and us providing a right to notice of a claim and/or a right to attempt to resolve the claim without litigation or arbitration. To start an arbitration, you or we must give written notice of an election to arbitrate. This notice may be given after a lawsuit has been filed and may be given in papers or motions in the lawsuit. If such a notice is given, unless prohibited by applicable law, the Claim shall be resolved by arbitration under this Arbitration Provision and the applicable rules of the arbitration administrator then in effect. You must select the administrator when you give us notice that you want to arbitrate a claim or within 20 days after we give you such a notice. If you don't make a selection, we will. The administrator must be either the National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405, www.arb-forum.com, (800) 474-2371; or the American Arbitration Association, 1633 Broadway, 10th Floor, New York NY 10019, www.adr.org, (800) 778-7879. The arbitrator will be selected under the administrator's rules, except that the arbitrator must be a lawyer with at least ten years of experience or a retired judge unless the parties agree otherwise.

4. LOCATION AND COSTS. The arbitrator may decide that an in-person hearing is unnecessary and that he or she can resolve the Claim based on the papers submitted by the parties and/or through a telephone hearing. However, any arbitration hearing that you attend will take place in a location that is reasonably convenient for you. We will consider any good faith request you make for us to pay the administrator's or arbitrator's filing, administrative, hearing and/or other fees if you cannot obtain a waiver of such fees from the administrator and we will not seek or accept reimbursement of any such fees. We will also pay any fees or expenses we are required by law to pay or that we must pay in order for this Arbitration Provision to be enforced. Each party must normally pay for its own attorneys, experts and witnesses. However, we will pay all such reasonable fees and costs you incur if you are the prevailing party and/or where required by applicable law and/or the administrator's rules. The arbitrator shall not limit the attorneys' fees and costs to which you are entitled because your Claim is for a small amount. Also, to the extent permitted by applicable law and provided in any Services

Agreement, you will pay any reasonable attorneys' fees, collection costs and arbitration fees and costs we incur if we prevail in an arbitration in which we seek to recover any amount owed by you to us under the Services Agreement.

5. NO CLASS ACTIONS OR SIMILAR PROCEEDINGS; SPECIAL FEATURES OF ARBITRATION. IF YOU OR WE ELECT TO ARBITRATE A CLAIM, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO: (A) HAVE A COURT OR A JURY DECIDE THE CLAIM; (B) OBTAIN INFORMATION PRIOR TO THE HEARING TO THE SAME EXTENT THAT YOU OR WE COULD IN COURT; (C) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR CLASS OPPONENT; (D) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (E) JOIN OR CONSOLIDATE CLAIM(S) INVOLVING YOU WITH CLAIMS INVOLVING ANY OTHER PERSON. THE RIGHT TO APPEAL IS MORE LIMITED IN ARBITRATION THAN IN COURT. OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.

6. GETTING INFORMATION. In addition to the parties' rights under the administrator's rules to obtain information prior to the hearing, either party may ask the arbitrator for more information from the other party. The arbitrator will decide the issue in his or her sole discretion, after allowing the other party the opportunity to object.

7. EFFECT OF ARBITRATION AWARD. Any court with jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's award will be final and binding, except for: (1) any appeal right under the Federal Arbitration Act, 9 U.S.C. §1, *et seq.* (the "FAA"); and (2) Claims involving more than \$50,000. For Claims involving more than \$50,000, any party may appeal the award to a three-arbitrator panel appointed by the administrator, which will reconsider *de novo* any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any appeal right under the FAA. Unless applicable law provides otherwise, the appealing party will pay the appeal's costs, regardless of its outcome. However, we will consider any good faith request for us to bear the cost and will pay any amount that we must pay under applicable law or the administrator's rules and any amount that we must pay in order for this Arbitration Provision to be enforced.

8. GOVERNING LAW. This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA, and not Federal or state rules of civil procedure or evidence or any state laws that pertain specifically to arbitration, provided that the law of Kansas, where we are headquartered, shall be applicable to the extent that any state law is relevant in determining the enforceability of this Arbitration Provision under Section 2 of the FAA. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and applicable privilege rules, and shall be authorized to award all remedies available in an individual lawsuit under applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (which shall be governed by the constitutional standards applicable in judicial proceedings), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. In addition, if you prevail in an individual (non-class) arbitration against us in which you are seeking monetary relief from us, we agree that the arbitrator shall award as the minimum amount of your damages (excluding arbitration fees and attorneys' fees and costs, if any) an amount that is \$100 greater than the jurisdictional limit of the small claims court (or your state's equivalent court) in the county in which you reside. For example, if such a court can decide claims up to \$5,000, then if you prevail in an individual arbitration, you will receive a minimum of \$5,100 even if the amount you would otherwise be entitled to receive is less than that amount. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator will follow rules of procedure and evidence consistent with the FAA, this Arbitration Provision and the administrator's rules.

9. SURVIVAL, SEVERABILITY, PRIMACY. This Arbitration Provision shall survive the full payment of any amounts due under any Services Agreement; any proper rescission or cancellation of any Services Agreements; any exercise of a self-help remedy; our sale or transfer of any Services Agreement or our rights under any Services Agreement; any legal proceeding by us to collect a debt owed by you; and your (or our) bankruptcy. If any part of this Arbitration Provision cannot be enforced, the rest of this Arbitration Provision will continue to apply; provided, however, that if Section 5(C), (D) and/or (E) is declared invalid in a proceeding between you and us, without in any way impairing the right to appeal such decision, this entire Arbitration Provision (other than this sentence) shall be null and void in such proceeding. In the event of any conflict or inconsistency between this Arbitration Provision and the administrator's rules or the rest of any Services Agreement, this Arbitration Provision will govern. If you and we are a party to any other arbitration or dispute resolution agreement in connection with prior Services, this Arbitration Provision will supersede such prior arbitration agreement.

10. BREACH OF ARBITRATION AGREEMENT. If either party fails to submit to arbitration following a proper demand to do so and a court later orders arbitration, to the extent permitted by law that party shall bear all costs and expenses including reasonable attorneys' fees, incurred by the other party in seeking to compel arbitration.

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JURY TRIAL WAIVER

YOU AND WE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL RIGHT, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, YOU AND WE, AFTER HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT. THIS JURY TRIAL WAIVER SHALL NOT AFFECT OR BE INTERPRETED AS MODIFYING IN ANY FASHION ANY SEPARATE ARBITRATION PROVISION BETWEEN YOU AND US, WHICH CONTAINS ITS OWN SEPARATE JURY TRIAL WAIVER.

Privacy Policy

We respect the privacy of our customers and are committed to treating customer information responsibly. Our complete privacy policy statement is available on our website www.speedycash.com or ask for a copy from any Customer Advocate in our loan offices. You acknowledge that you have received a copy of our Privacy Policy on this date or within the past twelve months. You may contact our loan offices and request that a current copy of our Privacy Policy be mailed to you.

Important Notices**BY SIGNING THIS AGREEMENT OR APPLYING FOR A LOAN:**

- YOU WILL NOT BE ENTITLED TO HAVE A TRIAL BY JURY TO RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ENTITLED TO HAVE A COURT, OTHER THAN A SMALL CLAIMS COURT OR JUSTICE COURT, RESOLVE ANY CLAIM AGAINST US.
- YOU WILL NOT BE ABLE TO BRING, JOIN OR PARTICIPATE IN ANY CLASS ACTION LAWSUIT AGAINST US.

By signing below, you acknowledge and affirm that: (1) you have received and read a copy of this Agreement, (2) you agree to the above terms and to the Agreements for Resolving Disputes, (3) there are no blank spaces appearing on this Agreement and (4) you represent that the "Amount Financed" as shown above, together with any other outstanding loans you have with us, does not exceed twenty-five percent of your expected monthly gross income.

Mary A. Dwyer 2/25/2009
Customer Signature(s) Date

By [Signature] 2/25/2009
Rapid Cash Representative Date

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