

IN THE SUPREME COURT OF THE STATE OF NEVADA

TITLEMAX OF NEVADA, INC. and
TITLEBUCKS d/b/a
TITLEMAX, a Nevada corporation,

Respondent(s),
v.

STATE OF NEVADA,
DEPARTMENT OF BUSINESS
AND INDUSTRY FINANCIAL
INSTITUTIONS DIVISION,

Appellant(s).

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Elizabeth A. Brown
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Case No. 74335

District Court No. A-16-743134-J

APPELLANT'S APPENDIX

VOLUME 56 of 75

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DOCUMENT	VOL.	BATES NO.
Petition for Judicial Review, September 8, 2016	1	000001 - 000023
Notice of Intent to Participate, September 19, 2016	1	000024 - 000026
Summons, September 20, 2016	1	000027 - 000030
Appendix to Exhibits to Motion for Partial Stay, September 29, 2016	1	000031 - 000183
Declaration of Patrick Reilly In Support of Motion, September 29, 2016	1	000184 - 000187
Motion for Partial Stay of Administrative Order, September 29, 2016	1	000188 - 000218
Declaration of Rickisha Hightower-Singletary, October 3, 2016	1	000219 - 000222
Motion to Vacate Order Shortening Time, October 3, 2016	2	000223 - 000295
Opposition to Motion for Partial Stay, October 5, 2016	2 - 4	000296 - 000704
Reply Memorandum in Support of Motion for Partial Stay, October 10, 2016	4	000705 - 000790
Errata to TitleMax's Memorandum in Support of Motion for Partial Stay, October 18, 2016	4	000791 - 000793
Petitioner's Notice of Transmittal of Record of Proceedings, October 18, 2016	4 - 8	000794 - 001588

DOCUMENT	VOL.	BATES NO.
Transmittal of Record on Appeal, October 26, 2016	8 - 72	001589 - 017090
Notice of Filing Administrative Record, October 31, 2016	73	017090 - 017098
Errata to Opposition to Motion for Partial Stay, November 3, 2016	73	017099 - 017104
Order Granting Motion for Partial Stay of Administrative Order, November 22, 2016	73	017105 - 017108
Notice of Entry of Order Granting Motion for Partial Stay of Administrative Order, November 23, 2016	73	017109 - 017115
Memorandum of Points and Authorities in Support of Petition for Judicial Review, December 15, 2016	73	017116 - 017175
Notice of Entry of Stipulation and Order to Extend Time for Filing Answering Brief, December 20, 2016	73	017176 - 017183
Errata to Transmittal of Record on Appeal, January 27, 2017	73	017184 - 017187
Respondent's Answering Brief, February 6, 2017	73	017188 - 017214
Reply in Support of Memorandum of Points and Authorities in Support of Petition for Judicial Review, March 6, 2017	73	017215 - 017243
Request for Hearing, March 17, 2017	73	017244 - 017246
Supplemental Authorities, March 24, 2017	73	017247 - 017260
Errata to Opposition to Motion to Extend Partial Stay, April 4, 2017	73	017261 - 017264

DOCUMENT	VOL.	BATES NO.
Reply in Support of Motion to Extend Partial Stay, April 5, 2017	73	017265 - 017276
Opposition to Supplemental Authorities, April 5, 2017	73	017277 - 017287
Renewed Motion to Extend Partial Stay, April 21, 2017	73	017288 - 017300
Opposition to Renewed Motion to Extend Partial Stay, May 5, 2017	73	017301 - 017321
Reply in Support of Renewed Motion to Extend Partial Stay, May 11, 2017	73	017322 - 017332
Reply to Opposition to Supplemental Authorities, May 11, 2017	73, 74	017333 - 017354
Order Regarding Hearing and Briefing Schedule, May 30, 2017	74	017355 - 017357
Order Granting Motion to Extend Partial Stay and Allowing Supplemental Authorities, May 31, 2017	74	017358 - 017361
Declaration of Stephen Michael Paris Regarding Information Fields, May 31, 2017	74	017362 - 017365
Declaration of Stephen Michael Paris Regarding Procedures to Safeguard Accounting and Loan Docs, May 31, 2017	74	017366 - 017369
Notice of Entry of Order Regarding Hearing and Briefing Schedule, June 1, 2017	74	017370 - 017375

DOCUMENT	VOL.	BATES NO.
Notice of Entry of Order Granting Motion to Extend Partial Stay, June 1, 2017	74	017373 - 017382
Supplement to Supplemental Authorities, June 16, 2017	74	017383 - 017398
Response to Petitioner's Supplement to its Supplemental Authorities, July 20, 2017	74	017399 - 017403
Notice of Entry of Order Reversing ALJ, September 22, 2017	74	017404 - 017428
Motion for Supplemental Relief, October 2, 2017	74	017429 - 017436
Opposition to Motion for Supplemental Relief, October 2, 2017	74	017437 - 017457
Notice of Appeal, October 19, 2017	74	017458 - 017486
Case Appeal Statement, October 19, 2017	74	017487 - 017491
Stipulation and Order to Change Hearing Date for Motion for Supplemental Relief, October 31, 2017	74	017492 - 017494
Notice of Entry of Stipulation and Order to Change Hearing Date for Motion for Supplemental Relief, October 31, 2017	74	017495 - 017501
Reply in Support of Motion for Supplemental Relief, November 7, 2017	74	017507 - 017522
Recorder's Transcript of August 3, 2017 Proceedings, December 11, 2017	74, 75	017523 - 017587

DOCUMENT	VOL.	BATES NO.
Order Granting in Part and Denying in Part Motion for Supplemental Relief, January 10, 2018	75	017588 - 017591
Notice of Entry of Order Granting in Part and Denying in Part Motion for Supplemental Relief, January 11, 2018	75	017582 - 07599

EXAMINATION COMMENTS AND CONCLUSIONS

NAC 604A.160 Translation of documents written in language other than English.

2. A document translated pursuant to this section must be:

(a) Translated by an interpreter who is:

(1) Certified by the Court Administrator in accordance with the provisions of NRS 1.510 and regulations adopted pursuant thereto; or NAC 604A.200 Maintenance of books and records.

1. Except as otherwise provided in NRS 604A.700, a licensee shall maintain for at least 3 years the original or a copy of each account, book, paper, written or electronic record or other document that concerns each loan or other transaction involving a customer in this State.

2. Except as otherwise provided in NRS 604A.620, those records must be maintained at a place of business in this State designated by the licensee.

(2) Approved in writing by the Division.

(b) Accompanied by a certificate issued by the interpreter.

During the previous examination, the licensee did not provide a copy of the Certified Court Interpreter in the State of Nevada. During the current examination the licensee was able to provide a copy of the Certified Court Interpreter for the State of Nevada. Therefore, this violation is deemed rectified.

NAC 604A.200 Maintenance of books and records.

1. Except as otherwise provided in NRS 604A.700, a licensee shall maintain for at least 3 years the original or a copy of each account, book, paper, written or electronic record or other document that concerns each loan or other transaction involving a customer in this State.

2. Except as otherwise provided in NRS 604A.620, those records must be maintained at a place of business in this State designated by the licensee.

During the previous examination, the licensee was unable to provide all the records requested by the examiner in charge. During the current examination the licensee was able to provide all the records requested. Therefore, this violation is deemed rectified.

NRS 604A.410 Written loan agreement required; contents.

1. Before making any loan to a customer, a licensee shall provide to the customer a written loan agreement which may be kept by the customer and which must be written in:

(a) English, if the transaction is conducted in English; or

(b) Spanish, if the transaction is conducted in Spanish.

During the previous examination the licensee was found to be using loan agreement written in English and receipts written in Spanish. During the current examination there was no evidence of such. Therefore, this violation is deemed rectified.



EXAMINATION COMMENTS AND CONCLUSIONS

NRS 604A.475 Repayment plan

2. If the licensee intends to commence any civil action or process of alternative dispute resolution or repossess a vehicle in an effort to collect a defaulted loan, the licensee shall deliver to the customer, not later than 15 days after the date of default, or not later than 5 days after a check is not paid upon presentment or an electronic transfer of money fails, whichever is later, written notice of the opportunity to enter into a repayment plan. The written notice must:

(a) Be in English, if the initial transaction was conducted in English, or in Spanish, if the initial transaction was conducted in Spanish.

During the previous examination the licensee had a repayment plan offer in English and the receipt was issued in Spanish. During the current examination, there was no evidence that the repayment plans and the receipts were done in separate languages. Therefore, this violation is deemed rectified.

NRS 604A.150 Additional terms defined under federal law; calculation of amount financed, annual percentage rate and finance charge.

2. For the purposes of this chapter, proper calculation of the amount financed, annual percentage rate and finance charge for a loan must be made in accordance with the Truth in Lending Act and Regulation Z.

During the previous examination the licensee was found understating the APR. During the current examination there was no evidence of such. Therefore, the violation is deemed rectified.

EXIT MEETING

The exit meeting was held telephonically on December 18, 2014. The licensee was represented by Carrie E. Carbone, SVP of Compliance and Product General Counsel, Victoria Newman, Compliance and Corporate Counsel, Sarah C. Poff, Director of Compliance. The Financial Institutions Division was represented by Christian Yanez, Examiner in charge, Harveen Sekhon, Supervisory Examiner, Christopher Eccles, Attorney, Andrea Bruce, Examiner.



EXAMINATION COMMENTS AND CONCLUSIONS

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**

The title loans itemized below were underwritten in excess of the customer's disclosed income and obligations, therefore, there was no regard given to the customer's ability to repay the loan:

No Regard to Customer's Ability to Repay the Title Loan						
Borrower's Name	Loan Number	Term	Stated Income	Stated Obligations	Total Amount of Loan(s)	Amount Over
Jeffrey Jones	12569-0102894	30 day	\$4,600.00	\$2,100.00	\$9,899.10	\$7,399.10
Lori Wigner	12569-0107659	30 day	\$946.00	\$200.00	\$1,427.28	\$681.28
Sherri Doyle	12569-0118011	30 day	\$5,000.00	\$3,000.00	\$3,359.70	\$1,359.70

Management's response: Ms. Sarah C. Poff, Director of Compliance, stated that a response will be sent to the Financial Institution Division once the report of examination is received.

REPEAT VIOLATION

NAC 604A.230 Prohibited acts: Miscellaneous acts.

- 1. A licensee shall not:**

(a) Require or accept a guarantor to a transaction entered into with a customer.

NRS 604A.105 "Title loan" defined.

- 1. "Title loan" means a loan made to a customer pursuant to a loan agreement which, under its original terms**

(b) Requires the customer to secure the loan by either:

- (1) Giving possession of the title to a vehicle legally owned by the customer to the licensee or any agent, affiliate or subsidiary of the licensee.**



EXAMINATION COMMENTS AND CONCLUSIONS

NRS 604A.115 “Title to a vehicle” or “title” defined. “Title to a vehicle” or “title” means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the current examination, the licensee provided a policy which states the following:

“The primary borrower must be on the title; however if there is a co-borrower (on the title or not), he must sign the Application and Contract.”

During the stores visits, the examiner in charge found several files where the co-borrower was not in the vehicle title. In some instances the co-borrower had a different address and different last name.

Management’s response: Ms. Sarah C. Poff, Director of Compliance, stated that a response will be sent to the Financial Institution Division once the report of examination is received.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrored NRS 604A.445 (3). The current examination showed that Titlemax’s original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax routinely offers an amendment to the original loan agreement called the “Grace Period Payments Deferment Agreement” (hereinafter, the “Amended Agreement”).

Regarding the marketing of the Amended Agreement by store employees, onsite store visits showed that employees routinely encourage customers to enter into the Amended Agreement. The employees are



EXAMINATION COMMENTS AND CONCLUSIONS

trained to encourage customers to participate in the Amended Agreement as soon as the original agreement is issued, and not wait until the loan is in default status. Pre-printed amended agreements were found in customers' files during the onsite store visits.

Moreover, management issued the below marketing statement with the instruction that employees should encourage customers to enter into the Amended Agreement. The marketing statement provides:

"Your contract states that you have 7 payments of <Amortized Loan Payments> which are for every 30 days starting on < Due Date>. By making this payment on time, your loan will be paid in full when you make the final payment. However, for your convenience, you can also make a minimum payment of <Minimum Payment to Extend> during this time. Any principal left at the end of the term will be placed on a 0% payment plan for an additional seven months. Do you have any questions?"

The marketing statement emphasizes lower payments. But, in fact, under the Amended Agreement, the total amount owed by the customer is **more** than the total amount owed under the original loan agreement, as further detailed below.

The text of the Amended Agreement provides:

"Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect."

This statement shows an intent to avoid compliance with NRS 604A.445(3).

Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are only interest and last seven payments are principal. Thus, Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:



EXAMINATION COMMENTS AND CONCLUSIONS

LOAN NUMBER	TOTAL AMOUNT TO BE PAID UNDER ORIGINAL LOAN AGREEMENT	TOTAL AMOUNT TO BE PAID UNDER “AMENDED” LOAN AGREEMENT	OVERAGE
12569-0118519	\$4,539.89	\$5,552.58	\$1,012.69
12569-0117011	\$6,468.15	\$7,646.85	\$1,178.70
12569-0119299	\$1,505.50	\$1,852.64	\$347.14

Titlemax must comply with NRS 604A.445 (3) and NRS 604A.210. Customers who enter into the Amended Agreement owe **more** money compared to the original loan with its fully amortized payments. Thus, Titlemax’s Amended Agreement violates NRS 604A.445 (3) and NRS 604A.210.

Management’s response: Ms. Sarah C. Poff, Director of Compliance, stated that a response will be sent to the Financial Institution Division once the report of examination is received.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Needs Improvement.”

A rating of “**Needs Improvement**” indicates that the licensee and the management of the licensee have demonstrated less than satisfactory compliance, or instances and situations involving a lack of compliance with applicable state and federal laws and regulations and that regulatory supervision is required. The licensee and management will be required to respond in writing to the report of examination within 30 days providing the procedures that have been initiated for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to state and federal laws and regulations.



E - 41



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA, INC.
DBA: TITLEMAX
9555 S. EASTERN AVE. STE. 105
LAS VEGAS, NV 89123
WWW.TITLEMAX.COM

Examiner In Charge:	Christian Yanez	Examined as of:	August 31, 2014
Examination Started:	August 6, 2014	Examination Closed:	December 18, 2014
Total Exam Hours:	11.00	Examination Number:	65328

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Christian Yanez
Examiner In Charge

APP 013056 09122
ROA 011762

EXAMINATION COMMENTS AND CONCLUSIONS



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

REPORT OF EXAMINATION

APP 013057 09123
ROA 011763

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The annual examination of TitleMax of Nevada, Inc. DBA: TitleMax located at 9555 S. Eastern Ave. Ste. 105., Las Vegas, NV 89123 commenced on August 6, 2014. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted approval to initiate Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used as the main source of information for different products and services that TitleMax offers. Customers have the ability to complete a loan applications on-line. The application is reviewed by the call center and the customer is referred to one of the stores to complete the loan process.

The licensee currently offers the 120 day loan which allows the customer to make installment payments.

TitleMax currently has 40 locations in the state of Nevada. All the locations were visited during the process of this examination.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS 604A and NAC 604A. The examination consisted of a review of the following: active loans, paid-off loans, delinquent loans, loans that are in the repayment plan and declined loans, surety bonding requirement, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Emphasis was placed on compliance with state regulations as well as federal regulations such as the Truth in Lending Act (Regulation Z) and the Equal Credit Opportunity Act (Regulation B).

Annual Report

The annual report of operations is due to the Financial Institutions Division by April 15th each year. The annual report of operations for year ending 2013 was received on April 8th, 2014 which is in accordance with NRS 604A.750.

Surety Bond

The Surety Bond appears to be sufficient. It is currently posted at \$265,000.00 under Bond Number 60088894 with Capitol Indemnity Corporation and is due for renewal on February 15, 2014. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Titlemax did not submit any internal or external reviews. Internal or external reviews were not part of the scope of the current examination.



EXAMINATION COMMENTS AND CONCLUSIONS

Financial Audit / CPA

The CPA of the Financial Institutions Division performed an analysis of key financial figures for the fiscal year ending December 31, 2013, which were included in the 2013 Annual Report of Operations. No areas of concern were noted.

Internal Routine and Control

The licensee uses CashWise Financial Services Software for its loan operations. Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

During the previous examination the licensee was offering 30 day title loans. On January 28, 2014 the licensee sent a letter to the Financial Institutions Division stating that TitleMax is going to stop offering the 30 day title loans and start offering the 210 day title loans.

During the on-site visitation of current examination it was discovered that TitleMax stopped offering the 30 day loans as of July, 2014. The new product, 210 day title loan is currently being offered in all TitleMax locations in the State of Nevada.

The 210 day product mirrors NRS 604A.445 (3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;
 - (c) The loan is not subject to any extension; and
 - (d) The loan does not require a balloon payment of any kind.

The licensee also implemented "Grace Period Payments Deferment Agreement." During the onsite visitations of store locations it was observed employees are pre-printing this grace period agreement and putting it in customer's files. The employees are also encouraging the customers to enter into this grace period agreement. The employees are provided the following statement to read to customers:



EXAMINATION COMMENTS AND CONCLUSIONS

“TMX Employee:

Great! Your contract states that you have 7 payments of <Amortized Loan Payments> which are for every 30 days starting on < Due Date>. By making this payment on time, your loan will be paid in full when you make the final payment. However, for your convenience, you can also make a minimum payment of <Minimum Payment to Extend> during this time. Any principal left at the end of the term will be placed on a 0% payment plan for an additional seven months. Do you have any questions?”

This agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payment the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with 604A.445(3).

Training

TitleMax provides training upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

According to the managers questionnaire, it is the licensee’s policy to maintain all records for five years which is in compliance with NRS604A.700 and NAC 604A.200.

Collection Agency Utilized by the Licensee

As of the examination date, the licensee does not utilize the services of a third party collection agency. The internal collection process consists of sending letters and making phone calls to delinquent customers by TitleMax’s collection department.



EXAMINATION COMMENTS AND CONCLUSIONS

FDCPA

TitleMax employees are required to be certified on an annually basis. All collection employees are required a minimum score of 80% to obtain the FDCPA certification. The store managers monitor all contact with debtors to assure that policy and produces are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The Financial Institutions Division complaint database was verified and indicates that as of October 14, 2014 there were three complaints filed against TitleMax since the previous examination. TitleMax responded to the complaints in a timely manner.

Total Sample Size

As of Exam Date	August 16, 2013
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	356	10	2.81%
Delinquent Loans	104	6	5.77%
Closed Loans	21	5	23.81%
Declined Loans	2	2	100.00%
Total Loans =	483	23	4.76%

All of the loan samples were chosen randomly by the examiner. As of the examination date, the licensee had:



EXAMINATION COMMENTS AND CONCLUSIONS

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.

During the previous examination the licensee was found to be underwriting title loans in excess of the customer's disclosed income and obligations. There was no regard given to the customer's ability to repay the loan. This will be cited as a repeat violation. Please refer to the current violation section for more details.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

1. A licensee shall not:

(a) Require or accept a guarantor to a transaction entered into with a customer.

NRS 604A.105 "Title loan" defined.

1. "Title loan" means a loan made to a customer pursuant to a loan agreement which, under its original terms

(b) Requires the customer to secure the loan by either:

(1) Giving possession of the title to a vehicle legally owned by the customer to the licensee or any agent, affiliate or subsidiary of the licensee.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination several of the loan files reviewed showed co-borrowers which were not listed on the title of the vehicle. This violation will be cited as a repeat violation. Please refer to the current violation section for more details.

NRS 604A.410 Written loan agreement required; contents

2. The loan agreement must include, without limitation, the following information:

c) The date and amount of the loan, amount financed, annual percentage rate, finance charge, total of payments, payment schedule and a description and the amount of every fee charged, regardless of the name given to the fee and regardless of whether the fee is required to be included in the finance charge under the Truth in Lending Act and Regulation Z;

During the previous examination, the licensee did not indicate on the extension receipts the effective date of the extension. This violation occurred on the 30 day title loans. Since the previous examination the licensee has stopped offering the 30 day title loans. The new product 210 day title loan offered by the licensee does not allow any extensions. Therefore, this violation is deemed rectified.



EXAMINATION COMMENTS AND CONCLUSIONS

NAC 604A.160 Translation of documents written in language other than English.

2. A document translated pursuant to this section must be:

(a) Translated by an interpreter who is:

(1) Certified by the Court Administrator in accordance with the provisions of NRS 1.510 and regulations adopted pursuant thereto; or NAC 604A.200 Maintenance of books and records.

1. Except as otherwise provided in NRS 604A.700, a licensee shall maintain for at least 3 years the original or a copy of each account, book, paper, written or electronic record or other document that concerns each loan or other transaction involving a customer in this State.

2. Except as otherwise provided in NRS 604A.620, those records must be maintained at a place of business in this State designated by the licensee.

(2) Approved in writing by the Division.

(b) Accompanied by a certificate issued by the interpreter.

During the previous examination, the licensee did not provide a copy of the Certified Court Interpreter in the State of Nevada. During the current examination the licensee was able to provide a copy of the Certified Court Interpreter for the State of Nevada. Therefore, this violation is deemed rectified.

NAC 604A.200 Maintenance of books and records.

1. Except as otherwise provided in NRS 604A.700, a licensee shall maintain for at least 3 years the original or a copy of each account, book, paper, written or electronic record or other document that concerns each loan or other transaction involving a customer in this State.

2. Except as otherwise provided in NRS 604A.620, those records must be maintained at a place of business in this State designated by the licensee.

During the previous examination, the licensee was unable to provide all the records requested by the examiner in charge. During the current examination the licensee was able to provide all the records requested. Therefore, this violation is deemed rectified.

NRS 604A.410 Written loan agreement required; contents.

1. Before making any loan to a customer, a licensee shall provide to the customer a written loan agreement which may be kept by the customer and which must be written in:

(a) English, if the transaction is conducted in English; or

(b) Spanish, if the transaction is conducted in Spanish.

During the previous examination the licensee was found to be using loan agreement written in English and receipts written in Spanish. During the current examination there was no evidence of such. Therefore, this violation is deemed rectified.



EXAMINATION COMMENTS AND CONCLUSIONS

NRS 604A.475 Repayment plan

2. If the licensee intends to commence any civil action or process of alternative dispute resolution or repossess a vehicle in an effort to collect a defaulted loan, the licensee shall deliver to the customer, not later than 15 days after the date of default, or not later than 5 days after a check is not paid upon presentment or an electronic transfer of money fails, whichever is later, written notice of the opportunity to enter into a repayment plan. The written notice must:

(a) Be in English, if the initial transaction was conducted in English, or in Spanish, if the initial transaction was conducted in Spanish.

During the previous examination the licensee had a repayment plan offer in English and the receipt was issued in Spanish. During the current examination, there was no evidence that the repayment plans and the receipts were done in separate languages. Therefore, this violation is deemed rectified.

NRS 604A.150 Additional terms defined under federal law; calculation of amount financed, annual percentage rate and finance charge.

2. For the purposes of this chapter, proper calculation of the amount financed, annual percentage rate and finance charge for a loan must be made in accordance with the Truth in Lending Act and Regulation Z.

During the previous examination the licensee was found understating the APR. During the current examination there was no evidence of such. Therefore, the violation is deemed rectified.

EXIT MEETING

The exit meeting was held telephonically on December 18, 2014. The licensee was represented by Carrie E. Carbone, SVP of Compliance and Product General Counsel, Victoria Newman, Compliance and Corporate Counsel, Sarah C. Poff, Director of Compliance. The Financial Institutions Division was represented by Christian Yanez, Examiner in charge, Harveen Sekhon, Supervisory Examiner, Christopher Eccles, Attorney, Andrea Bruce, Examiner.



EXAMINATION COMMENTS AND CONCLUSIONS

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**

The title loans itemized below were underwritten in excess of the customer's disclosed income and obligations, therefore, there was no regard given to the customer's ability to repay the loan:

No Regard to Customer's Ability to Repay the Title Loan						
Borrower's Name	Loan Number	Term	Stated Income	Stated Obligations	Total Amount of Loan(s)	Amount Over
Gabriel Thomas	10469-0103325	30 day	\$2,200.00	\$800.00	\$4,582.40	\$3,182.40
Rookie Magliopon	10469-0081957	30 day	\$7,000.00	\$3,000.00	\$6,621.40	\$2,621.40
Laron Carter	10469-0098715	30 day	\$900.00	\$0.00	\$2,343.00	\$1,443.00
Peter Ganny	10469-0098864	30 day	\$3,000.00	\$0.00	\$4,559.60	\$1,559.60

Management's response: Ms. Sarah C. Poff, Director of Compliance, stated that a response will be sent to the Financial Institution Division once the report of examination is received.

REPEAT VIOLATION

NAC 604A.230 Prohibited acts: Miscellaneous acts.

- 1. A licensee shall not:**

- (a) Require or accept a guarantor to a transaction entered into with a customer.**

NRS 604A.105 "Title loan" defined.

- 1. "Title loan" means a loan made to a customer pursuant to a loan agreement which, under its original terms**

- (b) Requires the customer to secure the loan by either:**

- (1) Giving possession of the title to a vehicle legally owned by the customer to the licensee or any agent, affiliate or subsidiary of the licensee.**



EXAMINATION COMMENTS AND CONCLUSIONS

NRS 604A.115 “Title to a vehicle” or “title” defined. “Title to a vehicle” or “title” means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the current examination, the licensee provided a policy which states the following:

“The primary borrower must be on the title; however if there is a co-borrower (on the title or not), he must sign the Application and Contract.”

During the stores visits, the examiner in charge found several files where the co-borrower was not in the vehicle title. In some instances the co-borrower had a different address and different last name.

Management’s response: *Ms. Sarah C. Poff, Director of Compliance, stated that a response will be sent to the Financial Institution Division once the report of examination is received.*

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;
- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1.** Any fees for granting such a grace period; or
- 2.** Any additional fees or additional interest on the outstanding loan during such a grace period.

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrored NRS 604A.445 (3). The current examination showed that Titlemax’s original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax routinely offers an amendment to the original loan agreement called the “Grace Period Payments Deferment Agreement” (hereinafter, the “Amended Agreement”).

Regarding the marketing of the Amended Agreement by store employees, onsite store visits showed that employees routinely encourage customers to enter into the Amended Agreement. The employees are



EXAMINATION COMMENTS AND CONCLUSIONS

trained to encourage customers to participate in the Amended Agreement as soon as the original agreement is issued, and not wait until the loan is in default status. Pre-printed amended agreements were found in customers' files during the onsite store visits.

Moreover, management issued the below marketing statement with the instruction that employees should encourage customers to enter into the Amended Agreement. The marketing statement provides:

"Your contract states that you have 7 payments of <Amortized Loan Payments> which are for every 30 days starting on < Due Date>. By making this payment on time, your loan will be paid in full when you make the final payment. However, for your convenience, you can also make a minimum payment of <Minimum Payment to Extend> during this time. Any principal left at the end of the term will be placed on a 0% payment plan for an additional seven months. Do you have any questions?"

The marketing statement emphasizes lower payments. But, in fact, under the Amended Agreement, the total amount owed by the customer is **more** than the total amount owed under the original loan agreement, as further detailed below.

The text of the Amended Agreement provides:

"Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect."

This statement shows an intent to avoid compliance with NRS 604A.445(3).

Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are only interest and last seven payments are principal. Thus, Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:



EXAMINATION COMMENTS AND CONCLUSIONS

LOAN NUMBER	TOTAL AMOUNT TO BE PAID UNDER ORIGINAL LOAN AGREEMENT	TOTAL AMOUNT TO BE PAID UNDER “AMENDED” LOAN AGREEMENT	OVERAGE
10469-0117222	\$734.44	\$903.72	\$169.28

Titlemax must comply with NRS 604A.445 (3) and NRS 604A.210. Customers who enter into the Amended Agreement owe **more** money compared to the original loan with its fully amortized payments. Thus, Titlemax’s Amended Agreement violates NRS 604A.445 (3) and NRS 604A.210.

Management’s response: Ms. Sarah C. Poff, Director of Compliance, stated that a response will be sent to the Financial Institution Division once the report of examination is received.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Needs Improvement.”

A rating of “**Needs Improvement**” indicates that the licensee and the management of the licensee have demonstrated less than satisfactory compliance, or instances and situations involving a lack of compliance with applicable state and federal laws and regulations and that regulatory supervision is required. The licensee and management will be required to respond in writing to the report of examination within 30 days providing the procedures that have been initiated for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to state and federal laws and regulations.



E - 42



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
1210 N. BOULDER HWY., BLDG. C
HENDERSON, NV 89011
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 22, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	12.50	Examination Number:	67851

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013070 09135
ROA 011776

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 1210 N. Boulder Highway, Building C, Henderson, NV 89011 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
TitleMax	4000 BOULDER HWY, SUITE 5	LAS VEGAS	NV	89121
TitleMax	1210 N. BOULDER HWY, SUITE C	HENDERSON	NV	89011



EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
TitleMax	2400 N. BUFFALO DRIVE #140	LAS VEGAS	NV	89128
TitleMax	2550 S. EASTERN AVENUE	LAS VEGAS	NV	89169
TitleMax	6450 W. LAKE MEAD BLVD, STE 150	LAS VEGAS	NV	89108
TitleMax	3900 W. SAHARA AVENUE	LAS VEGAS	NV	89102
TitleMax	4811 WEST CRAIG ROAD	LAS VEGAS	NV	89130
TitleMax	6436 N. DECATUR BLVD., #115	LAS VEGAS	NV	89131
TitleMax	4077 W. CHARLESTON BLVD.	LAS VEGAS	NV	89102
TitleBucks	4750 W. LAKE MEAD, #102	LAS VEGAS	NV	89108
TitleMax	8414 W. FARM ROAD, SUITE 130	LAS VEGAS	NV	89131
TitleMax	4001 N. LAS VEGAS BLVD.	LAS VEGAS	NV	89115
TitleMax	3220 S. VIRGINIA STREET	RENO	NV	89502
TitleMax	2020 E. WILLIAMS STREET	CARSON CITY	NV	89701
TitleMax	1995 W. WILLIAMS AVENUE	FALLON	NV	89406
TitleMax	900 W. FIFTH STREET	RENO	NV	89503
TitleMax	1600 N. NELLIS BLVD, SUITE 102	LAS VEGAS	NV	89115
TitleMax	1225 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445 (3):

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments, which for the first seven payments the customer pays only interest. For the remaining seven payments, the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445 (3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee’s internal collections department currently handles these accounts.



EXAMINATION COMMENTS AND CONCLUSIONS

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	213	5	2.35%
Delinquent Loans	66	5	7.58%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	279	15	5.38%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days; therefore, this violation is deemed rectified.



EXAMINATION COMMENTS AND CONCLUSIONS

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445 (3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner
Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.

The text of the Amended Agreement provides:

"Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect."



EXAMINATION COMMENTS AND CONCLUSIONS

This statement shows an intent to avoid compliance with NRS 604A.445 (3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the "Amended Loan Agreement"	Overage
14369-0135151	E. Carter	\$13,440.47	\$15,593.00	\$2,152.53
14369-0144996	J. Uribe	\$5,940.09	\$7,077.20	\$1,137.11
14369-0131984	T. Ashley	\$6,527.41	\$7,917.20	\$1,389.79
14369-0157667	K. Saint	\$4,484.79	\$5,343.30	\$858.51
14369-0149756	C. Davidson	\$4,484.79	\$6,831.20	\$2,346.41
14369-0151831	M. Samanc	\$7,454.83	\$8,881.90	\$1,427.07
14369-0132359	S. McCartney	\$11,612.92	\$13,835.94	\$2,223.02
14369-0142064	B. Simpson	\$7,454.83	\$8,881.90	\$1,427.07
14369-0134959	D. Soltero	\$10,424.89	\$12,420.50	\$1,995.61

Management Response: *Victoria Newman, Compliance and Corporate Counsel stated that the licensee would respond in writing upon receipt of the written report of examination for all locations.*

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.



EXAMINATION COMMENTS AND CONCLUSIONS

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 43



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
1225 E. CHARLESTON BLVD.
LAS VEGAS, NV 89104
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 15, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	11.0	Examination Number:	67873

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013081 09145
ROA 011787

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 1225 E. Charleston Boulevard, Las Vegas, NV 89104 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
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EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
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TitleMax	8414 W. FARM ROAD, SUITE 130	LAS VEGAS	NV	89131
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TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445 (3):

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments, which for the first seven payments the customer pays only interest. For the remaining seven payments, the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445 (3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee’s internal collections department currently handles these accounts.



EXAMINATION COMMENTS AND CONCLUSIONS

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	742	5	0.67%
Delinquent Loans	118	5	4.24%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	860	15	1.74%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days; therefore, this violation is deemed rectified.



EXAMINATION COMMENTS AND CONCLUSIONS

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445 (3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner
Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.

The text of the Amended Agreement provides:

"Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect."



EXAMINATION COMMENTS AND CONCLUSIONS

This statement shows an intent to avoid compliance with NRS 604A.445 (3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the "Amended Loan Agreement"	Overage
12269-0134093	L. Rasmussen	\$4,600.01	\$5,517.90	\$917.89
12269-0129451	S. Grable	\$7,454.83	\$8,881.90	\$1,427.07
12269-0129515	K. Goldman	\$2,355.05	\$2,889.89	\$534.84
12269-0139049	A. Timmons	\$10,424.89	\$12,420.50	\$1,995.61
12269-0149897	B. Williams	\$7,454.83	\$8,881.90	\$1,427.07
12269-0132384	P. Demadmo-Romero	\$3,812.10	\$4,662.46	\$850.36
12269-0141659	H. Reyna-Hernandez	\$2,287.30	\$2,797.49	\$510.19
12269-0141904	K. Mahoney	\$7,425.17	\$8,846.50	\$1,421.33
12269-0136907	L. Rodrigues	\$1,689.14	\$2,078.57	\$389.43

Management Response: Victoria Newman, Compliance and Corporate Counsel stated that the licensee would respond in writing upon receipt of the written report of examination for all locations.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.



EXAMINATION COMMENTS AND CONCLUSIONS

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

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E - 44



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

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Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
15 BULL ST, SUITE 200
SAVANNAH, GA 31401
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 4, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	3.50	Examination Number:	67892

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The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

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Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013092 09155
ROA 011798

EXAMINATION COMMENTS AND CONCLUSIONS



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

REPORT OF EXAMINATION

APP 013093 09156
ROA 011799

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 15 Bull St., Suite 200, Savannah, GA 31401 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans; it is used for administrative purposes only. All licensed locations are listed in the table below:

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EXAMINATION COMMENTS AND CONCLUSIONS

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TitleMax	900 W. FIFTH STREET	RENO	NV	89503
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TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days, which parallel NRS 604A.445 (3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments, which for the first seven payments the customer pays only interest. For the remaining seven payments, the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445 (3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	0	0	#DIV/0!
Delinquent Loans	0	0	#DIV/0!
Closed Loans	0	0	0.00%
Declined Loans	0	0	0.00%
Total Loans =	0	0	0.00%

During this follow-up examination, this location does not underwrite loans.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

There were no previous violations cited.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations



EXAMINATION COMMENTS AND CONCLUSIONS

Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner
Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

No violations of applicable Nevada Revised Statutes and/or the Nevada Administrative Code were observed during the scope of this annual examination.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated "Satisfactory," "Needs Improvement," or "Unsatisfactory," based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is "Satisfactory."



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

REPORT OF EXAMINATION

APP 013099 09162
ROA 011805

EXAMINATION COMMENTS AND CONCLUSIONS

A rating of “**Satisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial compliance with applicable laws and regulations and that any deficiencies noted in the report made by the examiner pursuant to state and federal laws and regulations can be corrected by the licensee with a minimum of regulatory supervision. A rating of “Satisfactory” may be given if there is more than one minor violation or deficiency, but only if the licensee and management take immediate action towards correcting the violations or deficiencies and the action taken by the licensee is likely to prevent future violations or deficiencies.



E - 45



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
16 W. HORIZON RIDGE PKWY., SUITE 160
HENDERSON, NV 89012
WWW/TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 22, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	13.0	Examination Number:	67882

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013102 09164
ROA 011808

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 16 W. Horizon Ridge Parkway, Suite 160, Henderson, NV 89012 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
TitleMax	4000 BOULDER HWY, SUITE 5	LAS VEGAS	NV	89121
TitleMax	1210 N. BOULDER HWY, SUITE C	HENDERSON	NV	89011



EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
TitleMax	2400 N. BUFFALO DRIVE #140	LAS VEGAS	NV	89128
TitleMax	2550 S. EASTERN AVENUE	LAS VEGAS	NV	89169
TitleMax	6450 W. LAKE MEAD BLVD, STE 150	LAS VEGAS	NV	89108
TitleMax	3900 W. SAHARA AVENUE	LAS VEGAS	NV	89102
TitleMax	4811 WEST CRAIG ROAD	LAS VEGAS	NV	89130
TitleMax	6436 N. DECATUR BLVD., #115	LAS VEGAS	NV	89131
TitleMax	4077 W. CHARLESTON BLVD.	LAS VEGAS	NV	89102
TitleBucks	4750 W. LAKE MEAD, #102	LAS VEGAS	NV	89108
TitleMax	8414 W. FARM ROAD, SUITE 130	LAS VEGAS	NV	89131
TitleMax	4001 N. LAS VEGAS BLVD.	LAS VEGAS	NV	89115
TitleMax	3220 S. VIRGINIA STREET	RENO	NV	89502
TitleMax	2020 E. WILLIAMS STREET	CARSON CITY	NV	89701
TitleMax	1995 W. WILLIAMS AVENUE	FALLON	NV	89406
TitleMax	900 W. FIFTH STREET	RENO	NV	89503
TitleMax	1600 N. NELLIS BLVD, SUITE 102	LAS VEGAS	NV	89115
TitleMax	1225 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445 (3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments, which for the first seven payments the customer pays only interest. For the remaining seven payments, the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445 (3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee’s internal collections department currently handles these accounts.



EXAMINATION COMMENTS AND CONCLUSIONS

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	510	5	0.98%
Delinquent Loans	122	5	4.10%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	632	15	2.37%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days; therefore, this violation is deemed rectified.



EXAMINATION COMMENTS AND CONCLUSIONS

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445 (3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner
Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.

The text of the Amended Agreement provides:

"Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect."



EXAMINATION COMMENTS AND CONCLUSIONS

This statement shows an intent to avoid compliance with NRS 604A.445 (3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the "Amended Loan Agreement"	Overage
11769-0125150	I. Brassell	\$3,500.21	\$4,281.00	\$780.79
11769-0158424	L. Jersey	\$6,886.41	\$8,352.66	\$1,466.25
11769-0132112	T. Wadding	\$5,079.66	\$6,188.83	\$1,109.17
11769-0146853	V. Esguerra	\$8,613.16	\$10,261.94	\$1,648.78

Management Response: *Victoria Newman, Compliance and Corporate Counsel stated that the licensee would respond in writing upon receipt of the written report of examination for all locations.*

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.



EXAMINATION COMMENTS AND CONCLUSIONS

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 46



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
900 W. 5TH ST. BLDG. C
RENO, NV 89503
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 13, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	11.0	Examination Number:	67890

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013113 09174
ROA 011819

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 900 W. 5th Street, Building C, Reno, NV 89503 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
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TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
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TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
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TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445 (3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments, which for the first seven payments the customer pays only interest. For the remaining seven payments, the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445 (3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee’s internal collections department currently handles these accounts.



EXAMINATION COMMENTS AND CONCLUSIONS

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	393	5	1.27%
Delinquent Loans	103	5	4.85%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	496	15	3.02%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days; therefore, this violation is deemed rectified.



EXAMINATION COMMENTS AND CONCLUSIONS

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445 (3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner
Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.

The text of the Amended Agreement provides:

"Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect."



EXAMINATION COMMENTS AND CONCLUSIONS

This statement shows an intent to avoid compliance with NRS 604A.445 (3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the "Amended Loan Agreement"	Overage
14469-0160520	T. McDonald	\$4,752.08	\$5,661.76	\$909.68
14469-0160844	R. Andrade	\$5,851.88	\$7,180.89	\$1,329.01
14469-0145589	R. Mailey	\$4,886.45	\$5,976.44	\$1,089.99
14469-0160906	J. Delamora	\$5,969.82	\$7,112.60	\$1,142.78
14469-0161035	W. Frye	\$7,865.52	\$9,540.24	\$1,674.72
14469-0150304	J. M. Lobster	\$1,784.11	\$2,189.30	\$405.19
14469-0135047	G. Famworth	\$13,347.49	\$15,641.21	\$2,293.72
14469-0142027	J. Sisk	\$7,186.82	\$8,496.50	\$1,309.68
14469-0130969	D. Thomas	\$7,186.82	\$8,496.50	\$1,309.68

Management Response: Victoria Newman, Compliance and Corporate Counsel stated that the licensee would respond in writing upon receipt of the written report of examination for all locations.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.



EXAMINATION COMMENTS AND CONCLUSIONS

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 47



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
1600 N. NELLIS BLVD., SUITE 102
LAS VEGAS, NV 89115
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 19, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	12.50	Examination Number:	67872

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013124 09184
ROA 011830

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 1600 N. Nellis Boulevard, Suite 102, Las Vegas, NV 89115 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

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EXAMINATION COMMENTS AND CONCLUSIONS

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The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
-----------------	-------------

	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	530	5	0.94%
Delinquent Loans	98	5	5.10%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	628	15	2.39%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
11969-0134997	M. Montes	\$6,353.16	\$7,510.92	\$1,157.76
11969-0145370	L. Timmons	\$5,969.82	\$7,112.60	\$1,142.78
11969-0153448	L. Lee	\$14,373.64	\$16,993.00	\$2,619.36
11969-0148095	N. Danila	\$5,778.20	\$6,831.20	\$1,053.00
11969-0116317	F. Cardenas-Valencia	\$7,813.82	\$9,156.61	\$1,342.79
11969-0131645	M. Montes	\$5,778.20	\$6,831.20	\$1,053.00
11969-0133698	M. Layadi	\$4,340.85	\$5,131.90	\$791.05
11969-0153727	M. Cobb	\$5,079.66	\$6,188.83	\$1,109.17
11969-0128946	G. Koller	\$5,079.66	\$6,188.83	\$1,109.17
11969-0128727	U. Young	\$5,778.20	\$6,831.20	\$1,053.00

Management Response: *Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.*



EXAMINATION COMMENTS AND CONCLUSIONS

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 48



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
1995 E. WILLIAMS AVE.,
FALLON, NV 89406
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 12, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	11.75	Examination Number:	67852

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013135 09194
ROA 011841

EXAMINATION COMMENTS AND CONCLUSIONS



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

REPORT OF EXAMINATION

APP 013136 09195
ROA 011842

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 1995 E. Williams Avenue, Fallon, NV 89406 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
TitleMax	4000 BOULDER HWY, SUITE 5	LAS VEGAS	NV	89121
TitleMax	1210 N. BOULDER HWY, SUITE C	HENDERSON	NV	89011



EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
TitleMax	2400 N. BUFFALO DRIVE #140	LAS VEGAS	NV	89128
TitleMax	2550 S. EASTERN AVENUE	LAS VEGAS	NV	89169
TitleMax	6450 W. LAKE MEAD BLVD, STE 150	LAS VEGAS	NV	89108
TitleMax	3900 W. SAHARA AVENUE	LAS VEGAS	NV	89102
TitleMax	4811 WEST CRAIG ROAD	LAS VEGAS	NV	89130
TitleMax	6436 N. DECATUR BLVD., #115	LAS VEGAS	NV	89131
TitleMax	4077 W. CHARLESTON BLVD.	LAS VEGAS	NV	89102
TitleBucks	4750 W. LAKE MEAD, #102	LAS VEGAS	NV	89108
TitleMax	8414 W. FARM ROAD, SUITE 130	LAS VEGAS	NV	89131
TitleMax	4001 N. LAS VEGAS BLVD.	LAS VEGAS	NV	89115
TitleMax	3220 S. VIRGINIA STREET	RENO	NV	89502
TitleMax	2020 E. WILLIAMS STREET	CARSON CITY	NV	89701
TitleMax	1995 W. WILLIAMS AVENUE	FALLON	NV	89406
TitleMax	900 W. FIFTH STREET	RENO	NV	89503
TitleMax	1600 N. NELLIS BLVD, SUITE 102	LAS VEGAS	NV	89115
TitleMax	1225 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445(3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payments the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445(3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	266	5	1.88%
Delinquent Loans	43	5	11.63%
Closed Loans	3	3	0.00%
Declined Loans	0	0	0.00%
Total Loans =	312	13	4.17%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
14269-0158470	T. Davis	\$4,886.45	\$5,976.44	1,089.99
14269-0156704	T. Schrock	\$7,454.83	\$8,881.90	\$1,427.07
14269-0156454	J. Nichols	\$3,812.10	\$4,662.46	\$850.36
14269-0127021	M. Cox	\$3,500.21	\$4,281.00	\$780.79
14269-0118911	W. Estes	\$7,425.17	\$8,846.50	\$1,421.33

Management Response: Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.



EXAMINATION COMMENTS AND CONCLUSIONS

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 49



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
2020 E. WILLIAMS ST.
CARSON CITY, NV 89701
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 12, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	12.0	Examination Number:	67889

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013147 09205
ROA 011853

EXAMINATION COMMENTS AND CONCLUSIONS



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

REPORT OF EXAMINATION

APP 013148 09206
ROA 011854

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 2020 E. Williams Street, Carson City, NV 89701 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
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EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
TitleMax	2400 N. BUFFALO DRIVE #140	LAS VEGAS	NV	89128
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TitleMax	3900 W. SAHARA AVENUE	LAS VEGAS	NV	89102
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TitleMax	4077 W. CHARLESTON BLVD.	LAS VEGAS	NV	89102
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TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445(3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payments the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445(3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	388	5	1.29%
Delinquent Loans	71	5	7.04%
Closed Loans	5	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	464	15	3.23%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
14069-0145387	N. Ellery	\$5,769.28	\$7,029.05	\$1,259.77
14069-0129835	J. Diamond	\$10,779.27	\$12,505.60	\$1,726.33
14069-0125201	N. Jasso	\$13,440.47	\$15,593.00	\$2,152.53
14069-0149028	S. Perkins	\$7,454.83	\$8,881.90	\$1,427.07
14069-0138319	S. Shattuck	\$7,454.83	\$8,881.90	\$1,427.07
14069-0151877	D. Waddams	\$4,713.16	\$5,764.51	\$1,051.35
14069-0134205	M. McNeil-Candee	\$3,164.55	\$3,818.60	\$654.05
14069-0121368	P. Silva	\$5,778.20	\$6,831.20	\$1,053.00
14069-0138862	J. Montanez-Teran Jr.	\$6,979.61	\$8,179.03	\$1,199.42

Management Response: *Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.*



EXAMINATION COMMENTS AND CONCLUSIONS

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 50



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
2400 N. BUFFALO DR. BLDG. 140
LAS VEGAS, NV 89128
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 26, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	10.50	Examination Number:	67865

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Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS, Examiner In Charge

APP 013159 09216
ROA 011865

EXAMINATION COMMENTS AND CONCLUSIONS



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

REPORT OF EXAMINATION

APP 013160 09217
ROA 011866

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 2400 N. Buffalo Drive, Bldg. 140, Las Vegas, NV 89128 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

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TitleMax	1210 N. BOULDER HWY, SUITE C	HENDERSON	NV	89011



EXAMINATION COMMENTS AND CONCLUSIONS

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TitleMax	1995 W. WILLIAMS AVENUE	FALLON	NV	89406
TitleMax	900 W. FIFTH STREET	RENO	NV	89503
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TitleMax	1225 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445(3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payments the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445(3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
-----------------	-------------

	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	637	5	0.78%
Delinquent Loans	148	5	3.38%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	785	15	1.91%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

PAID OFF ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Actual Amount Collected/Paid by Customer	Overage/Overpayment
10969-0142515	M. Hawkins	\$1,437.37	\$2,055.06	\$617.69

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
10969-0118013	B. Fleming	\$4,340.85	\$5,131.90	\$791.05
10969-0132831	J. Graves	\$3,500.21	\$4,281.00	\$780.79
10969-0139576	J. Graves	\$866.39	\$1,059.65	\$193.26
10969-0124743	T. Coleman	\$2,691.23	\$3,278.88	\$587.65



EXAMINATION COMMENTS AND CONCLUSIONS

Management Response: Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 51



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
2550 S. EASTERN AVE.,
LAS VEGAS, NV 89169
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 18, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	14.0	Examination Number:	67878

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013171 09227
ROA 011877

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 2550 S. Eastern Avenue, Las Vegas, NV 89169 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
TitleMax	4000 BOULDER HWY, SUITE 5	LAS VEGAS	NV	89121
TitleMax	1210 N. BOULDER HWY, SUITE C	HENDERSON	NV	89011



EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
TitleMax	2400 N. BUFFALO DRIVE #140	LAS VEGAS	NV	89128
TitleMax	2550 S. EASTERN AVENUE	LAS VEGAS	NV	89169
TitleMax	6450 W. LAKE MEAD BLVD, STE 150	LAS VEGAS	NV	89108
TitleMax	3900 W. SAHARA AVENUE	LAS VEGAS	NV	89102
TitleMax	4811 WEST CRAIG ROAD	LAS VEGAS	NV	89130
TitleMax	6436 N. DECATUR BLVD., #115	LAS VEGAS	NV	89131
TitleMax	4077 W. CHARLESTON BLVD.	LAS VEGAS	NV	89102
TitleBucks	4750 W. LAKE MEAD, #102	LAS VEGAS	NV	89108
TitleMax	8414 W. FARM ROAD, SUITE 130	LAS VEGAS	NV	89131
TitleMax	4001 N. LAS VEGAS BLVD.	LAS VEGAS	NV	89115
TitleMax	3220 S. VIRGINIA STREET	RENO	NV	89502
TitleMax	2020 E. WILLIAMS STREET	CARSON CITY	NV	89701
TitleMax	1995 W. WILLIAMS AVENUE	FALLON	NV	89406
TitleMax	900 W. FIFTH STREET	RENO	NV	89503
TitleMax	1600 N. NELLIS BLVD, SUITE 102	LAS VEGAS	NV	89115
TitleMax	1225 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

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EXAMINATION COMMENTS AND CONCLUSIONS

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The Title loan underwriting process includes:

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 - (a) The loan provides for payments in installments;
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EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

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EXAMINATION COMMENTS AND CONCLUSIONS

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As of Exam Date	May 4, 2015
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Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

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STATE

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- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

PAID OFF ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Actual Amount Collected/Paid by Customer	Overage/Overpayment
10669-0119541	S. Fierro-Alba	\$2,533.45	\$3,156.59	\$623.14

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
10669-0134659	O. Cano-Martinez	\$9,355.69	\$11,146.59	\$1,790.90
10669-0160440	D. Caballero	\$10,395.18	\$12,385.10	\$1,989.92
10669-0141548	V. Jordan	\$10,090.33	\$11,929.10	\$1,838.77
10669-0131268	A. Diaz Torres	\$7,454.83	\$8,881.90	\$1,427.07
10669-0142495	M. Yadao	\$14,373.64	\$16,993.00	\$2,619.36
10669-0154453	C. Woods	\$3,465.55	\$4,238.60	\$773.05



EXAMINATION COMMENTS AND CONCLUSIONS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the "Amended Loan Agreement"	Overage
10669-0149741	F. Martinez-Padron	\$5,079.66	\$6,188.83	\$1,109.17
10669-0152961	L. Akiki	\$7,215.86	\$8,530.50	\$1,314.64
10669-0128694	S. Gojo	\$7,454.83	\$8,881.90	\$1,427.07

Management Response: Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated "Satisfactory," "Needs Improvement," or "Unsatisfactory," based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is "Unsatisfactory."

A rating of "**Unsatisfactory**" indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of "Unsatisfactory" may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division's findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 52



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
3220 S. VIRGINIA ST.
RENO, NV 89502
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 13, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	11.25	Examination Number:	67855

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013182 09237
ROA 011888

EXAMINATION COMMENTS AND CONCLUSIONS



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

REPORT OF EXAMINATION

APP 013183 09238
ROA 011889

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 3220 S. Virginia Street, Reno, NV 89502 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
TitleMax	4000 BOULDER HWY, SUITE 5	LAS VEGAS	NV	89121
TitleMax	1210 N. BOULDER HWY, SUITE C	HENDERSON	NV	89011



EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
TitleMax	2400 N. BUFFALO DRIVE #140	LAS VEGAS	NV	89128
TitleMax	2550 S. EASTERN AVENUE	LAS VEGAS	NV	89169
TitleMax	6450 W. LAKE MEAD BLVD, STE 150	LAS VEGAS	NV	89108
TitleMax	3900 W. SAHARA AVENUE	LAS VEGAS	NV	89102
TitleMax	4811 WEST CRAIG ROAD	LAS VEGAS	NV	89130
TitleMax	6436 N. DECATUR BLVD., #115	LAS VEGAS	NV	89131
TitleMax	4077 W. CHARLESTON BLVD.	LAS VEGAS	NV	89102
TitleBucks	4750 W. LAKE MEAD, #102	LAS VEGAS	NV	89108
TitleMax	8414 W. FARM ROAD, SUITE 130	LAS VEGAS	NV	89131
TitleMax	4001 N. LAS VEGAS BLVD.	LAS VEGAS	NV	89115
TitleMax	3220 S. VIRGINIA STREET	RENO	NV	89502
TitleMax	2020 E. WILLIAMS STREET	CARSON CITY	NV	89701
TitleMax	1995 W. WILLIAMS AVENUE	FALLON	NV	89406
TitleMax	900 W. FIFTH STREET	RENO	NV	89503
TitleMax	1600 N. NELLIS BLVD, SUITE 102	LAS VEGAS	NV	89115
TitleMax	1225 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445(3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payments the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445(3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	774	5	0.65%
Delinquent Loans	266	5	1.88%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	1040	15	1.44%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

REPORT OF EXAMINATION

APP 013190 09245
ROA 011896

EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
13069-0133363	J. Spiker	\$10,455.53	\$12,252.28	\$1,796.75
13069-0116554	E. Baldwin	\$1,321.92	\$1,626.71	\$304.79
13069-0150021	A. Bustos-Ramirez	\$4,630.67	\$5,554.63	\$923.96
13069-0130312	M. Saich	\$3,296.36	\$3,998.20	\$701.84

Management Response: *Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.*

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.



EXAMINATION COMMENTS AND CONCLUSIONS

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 53



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
3365 E. FLAMINGO ROAD, SUITE 1
LAS VEGAS, NV 89121
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 15, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	12.50	Examination Number:	67857

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013194 09248
ROA 011900

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 3365 E. Flamingo, Road, Suite 1, Las Vegas, NV 89121 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
TitleMax	4000 BOULDER HWY, SUITE 5	LAS VEGAS	NV	89121
TitleMax	1210 N. BOULDER HWY, SUITE C	HENDERSON	NV	89011



EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
TitleMax	2400 N. BUFFALO DRIVE #140	LAS VEGAS	NV	89128
TitleMax	2550 S. EASTERN AVENUE	LAS VEGAS	NV	89169
TitleMax	6450 W. LAKE MEAD BLVD, STE 150	LAS VEGAS	NV	89108
TitleMax	3900 W. SAHARA AVENUE	LAS VEGAS	NV	89102
TitleMax	4811 WEST CRAIG ROAD	LAS VEGAS	NV	89130
TitleMax	6436 N. DECATUR BLVD., #115	LAS VEGAS	NV	89131
TitleMax	4077 W. CHARLESTON BLVD.	LAS VEGAS	NV	89102
TitleBucks	4750 W. LAKE MEAD, #102	LAS VEGAS	NV	89108
TitleMax	8414 W. FARM ROAD, SUITE 130	LAS VEGAS	NV	89131
TitleMax	4001 N. LAS VEGAS BLVD.	LAS VEGAS	NV	89115
TitleMax	3220 S. VIRGINIA STREET	RENO	NV	89502
TitleMax	2020 E. WILLIAMS STREET	CARSON CITY	NV	89701
TitleMax	1995 W. WILLIAMS AVENUE	FALLON	NV	89406
TitleMax	900 W. FIFTH STREET	RENO	NV	89503
TitleMax	1600 N. NELLIS BLVD, SUITE 102	LAS VEGAS	NV	89115
TitleMax	1225 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445(3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payments the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445(3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
-----------------	-------------

	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	267	5	1.87%
Delinquent Loans	45	5	11.11%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	312	15	4.81%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

PAID OFF ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Actual Amount Collected/Paid by Customer	Overage/Overpayment
12669-0139747	R. Cano-Laija	\$3,341.31	\$3,444.66	\$103.35

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
12669-0120762	C. Vela de la Cruz	\$7,454.83	\$8,881.90	\$1,427.07
12669-0129909	G. Mochizuki	\$3,449.68	\$4,078.32	\$628.64
12669-0145915	J. Lewis	\$3,500.21	\$4,281.00	\$780.79
12669-0147253	C. Whitson	\$2,599.18	\$3,178.95	\$579.77
12669-0152368	S. Gucci	\$2,999.75	\$3,574.00	\$574.25



EXAMINATION COMMENTS AND CONCLUSIONS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the "Amended Loan Agreement"	Overage
126669-013346	J. Thomas	\$13,394.97	\$15,959.10	\$2,564.13
12669-0136785	D. Maher	\$3,247.09	\$3,984.54	\$737.45

Management Response: Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated "Satisfactory," "Needs Improvement," or "Unsatisfactory," based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is "Unsatisfactory."

A rating of "**Unsatisfactory**" indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of "Unsatisfactory" may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division's findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 54



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
3391 E. TROPICANA AVE, SUITE 1
LAS VEGAS, NV 89121
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 18, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	13.50	Examination Number:	67862

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013205 09258
ROA 011911

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 3391 E. Tropicana Avenue, Suite 1, Las Vegas, NV 89121 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
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EXAMINATION COMMENTS AND CONCLUSIONS

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TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

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The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

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- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

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EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

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Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

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The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 18, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	538	5	0.93%
Delinquent Loans	132	5	3.79%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	670	15	2.24%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. This is still apparent during the current examination and is cited as a repeat violation.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrored NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
10569-0145499	E. Melendez	\$7,973.32	\$9,564.29	\$1,590.97
10569-0140652	V. Orpilla	\$8,910.17	\$10,615.80	\$1,705.63
10569-0141991	L. Juarez-Verdin	\$5,887.03	\$7,172.55	\$1,285.52
10569-0137914	J. Tripp	\$5,403.06	\$6,268.40	\$865.34
10569-0145917	Y. Rodriguez-Diaz	\$5,920.69	\$7,213.48	\$1,292.79
10569-0146239	I. Beverly	\$3,465.55	\$4,238.60	\$773.05

Management Response: *Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.*

REPEAT VIOLATION

NAC 604A.230 Prohibited acts: Miscellaneous acts.

1. A licensee shall not:

(a) Require or accept a guarantor to a transaction entered into with a customer.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

REPORT OF EXAMINATION

APP 013213 09266
ROA 011919

EXAMINATION COMMENTS AND CONCLUSIONS

NRS 604A.105 “Title loan” defined.

1. “Title loan” means a loan made to a customer pursuant to a loan agreement which, under its original terms

(b) Requires the customer to secure the loan by either:

(1) Giving possession of the title to a vehicle legally owned by the customer to the licensee or any agent, affiliate or subsidiary of the licensee.

NRS 604A.115 “Title to a vehicle” or “title” defined. “Title to a vehicle” or “title” means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

Loan Number 10569-0152547 was underwritten in favor of Stacy Lee with a co-borrower’s name, Marnie Lee. The title of the vehicle is under the name of Marnie Lee only and Stacy Lee’s name is not on the vehicle title. The licensee is not in compliance with the above statutes.

Management Response: Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.

NRS 604A.410 Written loan agreement required; contents.

Y. Before making any loan to a customer, a licensee shall provide to the customer a written loan agreement which may be kept by the customer and which must be written in:

Y. English, if the transaction is conducted in English; or

(b) Spanish, if the transaction is conducted in Spanish.

The loan accounts itemized in the table below indicated that the language used is not consistent with the initial language used in the loan application and the loan disclosure agreement and other documentation used during the term of the loan:

Loan Number	Customer Name	Language Used In Loan Disclosure	Language Used in Repayment Plan Agreement/Grace Period Payments Deferment Agreement	Language Used In Loan Application And Affidavit
10569-0106634	M. Alberto Gonzalez	Spanish	English	English
10569-0154241	O. Carraxzana-Barcelo	Spanish		English
10569-0145917	Y. Rodriguez-Diaz	Spanish	English	English
10569-0152745	J. Tejeda	Spanish		English



EXAMINATION COMMENTS AND CONCLUSIONS

Management Response: Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated "Satisfactory," "Needs Improvement," or "Unsatisfactory," based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is "Unsatisfactory."

A rating of "**Unsatisfactory**" indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of "Unsatisfactory" may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division's findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 55



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
3525 S. FT APACHE ROAD, SUITE 160
LAS VEGAS, NV 89147
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 26, 2015	Examination Closed:	June 30, 2015
Total Exam Hours:	10.50	Examination Number:	67875

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013217 09269
ROA 011923

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 3525 S. Fort Apache Road, Suite 160, Las Vegas, NV 89147 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
TitleMax	4000 BOULDER HWY, SUITE 5	LAS VEGAS	NV	89121
TitleMax	1210 N. BOULDER HWY, SUITE C	HENDERSON	NV	89011



EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
TitleMax	2400 N. BUFFALO DRIVE #140	LAS VEGAS	NV	89128
TitleMax	2550 S. EASTERN AVENUE	LAS VEGAS	NV	89169
TitleMax	6450 W. LAKE MEAD BLVD, STE 150	LAS VEGAS	NV	89108
TitleMax	3900 W. SAHARA AVENUE	LAS VEGAS	NV	89102
TitleMax	4811 WEST CRAIG ROAD	LAS VEGAS	NV	89130
TitleMax	6436 N. DECATUR BLVD., #115	LAS VEGAS	NV	89131
TitleMax	4077 W. CHARLESTON BLVD.	LAS VEGAS	NV	89102
TitleBucks	4750 W. LAKE MEAD, #102	LAS VEGAS	NV	89108
TitleMax	8414 W. FARM ROAD, SUITE 130	LAS VEGAS	NV	89131
TitleMax	4001 N. LAS VEGAS BLVD.	LAS VEGAS	NV	89115
TitleMax	3220 S. VIRGINIA STREET	RENO	NV	89502
TitleMax	2020 E. WILLIAMS STREET	CARSON CITY	NV	89701
TitleMax	1995 W. WILLIAMS AVENUE	FALLON	NV	89406
TitleMax	900 W. FIFTH STREET	RENO	NV	89503
TitleMax	1600 N. NELLIS BLVD, SUITE 102	LAS VEGAS	NV	89115
TitleMax	1225 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445(3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payments the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445(3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 26, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	817	5	0.61%
Delinquent Loans	205	5	2.44%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	1022	15	1.47%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
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Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

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The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
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During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

PAID OFF ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Actual Amount Collected/Paid by Customer	Overage/Overpayment
11569-0136059	D. Gleason	\$734.44	\$798.38	\$63.94

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
11569-0134456	J, Wayne	\$8,939.87	\$10,651.20	\$1,711.33
11569-0130550	D. Ferraro	\$12,474.32	\$14,617.99	\$2,143.67
11569-0125164	S.Tavdidishvili	\$14,373.64	\$16,993.00	\$2,619.36
11569-0151406	G. Fanning	\$7,186.82	\$8,496.50	\$1,309.68
11569-0136419	S. Belluschi	\$14,373.64	\$16,993.00	\$2,619.36



EXAMINATION COMMENTS AND CONCLUSIONS

Management Response: Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 56



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
3547 S. MARYLAND PKWY.,
LAS VEGAS, NV 89169
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 15, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	14.0	Examination Number:	67891

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013228 09279
ROA 011934

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 3547 S. Maryland Parkway, Las Vegas, NV 89169 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
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TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
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TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445(3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payments the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445(3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 15, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	285	5	1.75%
Delinquent Loans	58	5	8.62%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	343	15	4.37%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
12469-0159162	L. Laface	\$3,263.70	\$3,956.60	\$692.90
12469-0154314	G. Gacia	\$2,176.60	\$2,670.96	\$494.36
12469-0150716	R. Williams III	\$5,079.66	\$6,188.83	\$1,109.17
12469-0154162	W. Ciro	\$5,079.66	\$6,188.83	\$1,109.17
12469-0139453	B. Pickett	\$10,780.25	\$12,744.75	\$1,964.50
12469-0129635	D. Dennis	\$7,503.07	\$8,870.36	\$1,367.29
12469-0152352	H. Shelly	\$7,454.83	\$8,881.90	\$1,427.07

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.



EXAMINATION COMMENTS AND CONCLUSIONS

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



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BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

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CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
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Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
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Total Exam Hours:	10.50	Examination Number:	67867

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Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013239 09289
ROA 011945

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 3575 W. Tropicana Avenue, Las Vegas, NV 89103 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

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SCOPE OF EXAMINATION

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EXAMINATION COMMENTS AND CONCLUSIONS

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- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payments the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445(3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
-----------------	-------------

	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	190	5	2.63%
Delinquent Loans	42	5	11.90%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	232	15	6.47%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
13769-0132596	F. Zorrilla	\$7,257.69	\$8,504.89	\$1,247.20
13769-0129941	S. Wu	\$8,345.88	\$9,943.48	\$1,597.60
13769-0134127	D. Torres	\$6,560.02	\$7,956.80	\$1,396.78
13769-0153853	W. Kissinger	\$6,527.41	\$7,917.20	\$1,389.79

Management Response: Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.



EXAMINATION COMMENTS AND CONCLUSIONS

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 58



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
3810 BLUE DIAMOND ROAD, SUITE 150
LAS VEGAS, NV 89139
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 20, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	11.75	Examination Number:	67874

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013250 09299
ROA 011956

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 3810 Blue Diamond Road, Suite 150, Las Vegas, NV 89139 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
TitleMax	4000 BOULDER HWY, SUITE 5	LAS VEGAS	NV	89121
TitleMax	1210 N. BOULDER HWY, SUITE C	HENDERSON	NV	89011



EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
TitleMax	2400 N. BUFFALO DRIVE #140	LAS VEGAS	NV	89128
TitleMax	2550 S. EASTERN AVENUE	LAS VEGAS	NV	89169
TitleMax	6450 W. LAKE MEAD BLVD, STE 150	LAS VEGAS	NV	89108
TitleMax	3900 W. SAHARA AVENUE	LAS VEGAS	NV	89102
TitleMax	4811 WEST CRAIG ROAD	LAS VEGAS	NV	89130
TitleMax	6436 N. DECATUR BLVD., #115	LAS VEGAS	NV	89131
TitleMax	4077 W. CHARLESTON BLVD.	LAS VEGAS	NV	89102
TitleBucks	4750 W. LAKE MEAD, #102	LAS VEGAS	NV	89108
TitleMax	8414 W. FARM ROAD, SUITE 130	LAS VEGAS	NV	89131
TitleMax	4001 N. LAS VEGAS BLVD.	LAS VEGAS	NV	89115
TitleMax	3220 S. VIRGINIA STREET	RENO	NV	89502
TitleMax	2020 E. WILLIAMS STREET	CARSON CITY	NV	89701
TitleMax	1995 W. WILLIAMS AVENUE	FALLON	NV	89406
TitleMax	900 W. FIFTH STREET	RENO	NV	89503
TitleMax	1600 N. NELLIS BLVD, SUITE 102	LAS VEGAS	NV	89115
TitleMax	1225 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445(3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payments the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445(3). Please refer to the State violation section of the report for additional details.

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As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

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TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
-----------------	-------------

	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	312	5	1.60%
Delinquent Loans	74	5	6.76%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	386	15	3.89%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.



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NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

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- 1. Any fees for granting such a grace period; or**
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Carrie E. Carbone, SVP of Compliance and Product General Counsel
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The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

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EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

PAID OFF ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Actual Amount Collected/Paid by Customer	Overage/Overpayment
11169-0129196	B. Palado	\$8,645.45	\$7,212.73	\$1,432.72

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
11169-0145029	N. Herrera	\$6,967.95	\$8,451.59	\$1,483.64
11169+0141702	F. Eberflus	\$9,371.62	\$11,079.45	\$1,707.83
11169-0136107	M. Morton	\$12,503.91	\$14,897.52	\$2,393.61
11169-0157907	R. Oshiro	\$11,880.22	\$14,154.40	\$2,274.18
11169-0141187	P. Castellon-Escobedo	\$8,939.87	\$10,651.20	\$1,711.33



EXAMINATION COMMENTS AND CONCLUSIONS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the "Amended Loan Agreement"	Overage
11169-0128837	S. Lee	\$4,340.85	\$5,131.90	\$791.05
11169-0159551	D. Slattery	\$9,084.15	\$10,739.59	\$1,655.44

Management Response: *Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.*

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated "Satisfactory," "Needs Improvement," or "Unsatisfactory," based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is "Unsatisfactory."

A rating of "**Unsatisfactory**" indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of "Unsatisfactory" may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division's findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 59



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
3900 W. SAHARA AVENUE
LAS VEGAS, NV 89102
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 13, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	12.75	Examination Number:	67870

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013261 09309
ROA 011967

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 3900 W. Sahara Avenue, Las Vegas, NV 89102 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
TitleMax	4000 BOULDER HWY, SUITE 5	LAS VEGAS	NV	89121
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EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
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TitleMax	2550 S. EASTERN AVENUE	LAS VEGAS	NV	89169
TitleMax	6450 W. LAKE MEAD BLVD, STE 150	LAS VEGAS	NV	89108
TitleMax	3900 W. SAHARA AVENUE	LAS VEGAS	NV	89102
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TitleMax	6436 N. DECATUR BLVD., #115	LAS VEGAS	NV	89131
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TitleMax	8414 W. FARM ROAD, SUITE 130	LAS VEGAS	NV	89131
TitleMax	4001 N. LAS VEGAS BLVD.	LAS VEGAS	NV	89115
TitleMax	3220 S. VIRGINIA STREET	RENO	NV	89502
TitleMax	2020 E. WILLIAMS STREET	CARSON CITY	NV	89701
TitleMax	1995 W. WILLIAMS AVENUE	FALLON	NV	89406
TitleMax	900 W. FIFTH STREET	RENO	NV	89503
TitleMax	1600 N. NELLIS BLVD, SUITE 102	LAS VEGAS	NV	89115
TitleMax	1225 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445(3):

3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payments the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445(3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
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	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	309	5	1.62%
Delinquent Loans	73	5	6.85%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	382	15	3.93%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

REPORT OF EXAMINATION

APP 013268 09316
ROA 011974

EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

PAID OFF ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Actual Amount Collected/Paid by Customer	Overage/Overpayment
10169-0121920	J. Montes-Llamas	\$1,819.80	\$2,050.54	\$230.74
10169-0121672	J. Vazques-Murillo	\$5,079.66	\$5,826.74	\$747.08

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
10169-0117199	Z. Garcia-Caceres	\$4,312.10	\$5,097.90	\$785.80
10169-0154374	M. Draling	\$7,454.83	\$8,881.90	\$1,427.07



EXAMINATION COMMENTS AND CONCLUSIONS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the "Amended Loan Agreement"	Overage
10169-0154367	Y. Walker	\$6,527.41	\$7,917.20	\$1,389.79
10169-0159325	C. Hickman	\$4,340.85	\$5,131.90	\$791.05
10169-0142822	B. Rafter	\$6,518.46	\$7,706.35	\$1,187.89
10169-0143048	K. Tolbert	\$4,340.85	\$5,131.90	\$791.05
10169-0313955	C. Aguirre	\$4,312.10	\$5,097.90	\$785.80

Management Response: *Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.*

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.

SUMMARY

Each licensee, upon completion of an examination, is rated "Satisfactory," "Needs Improvement," or "Unsatisfactory," based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is "Unsatisfactory."



EXAMINATION COMMENTS AND CONCLUSIONS

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 60



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
4000 BOULDER HWY., SUITE 5
LAS VEGAS, NV 89121
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 14, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	13.75	Examination Number:	67866

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

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Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013273 09320
ROA 011979

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 4000 Boulder Highway, Suite 5, Las Vegas, NV 89121 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
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TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
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TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
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TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
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TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
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EXAMINATION COMMENTS AND CONCLUSIONS

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TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

The current examination mainly focused on the prior violations that were cited which resulted in a less than satisfactory rating.



EXAMINATION COMMENTS AND CONCLUSIONS

Annual Report

The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

Surety Bond

The Surety Bond is sufficient. It is currently posted at \$265,000.00, with Capitol Indemnity Corporation under Surety Bond number 60088894 and is due for renewal on February 15, 2016. The licensee is in compliance with NRS 604A.610.

Internal / External Review

Aside from the Nevada State examination, there was no written documentation provided for internal or external reviews at the time of the examination.

Financial Audit / CPA

The CPA of the Financial Institutions Division reviewed the key financial figures submitted along with the licensee's Annual Report of Operations. There are no weaknesses identified in the business operations.

Internal Routine and Control

During the previous examination, the licensee was utilizing CashWise Financial Services Software for its loan operations. However, at the start of the examination process, the licensee was in the process of converting its Software Program from CashWise Financial Services to TLX Software Program.

The Title loan underwriting process includes:

- Loan application form
- Income and obligations
- Government issued photo identification
- Valid phone number
- Title of the vehicle
- Proof of insurance
- Current registration
- Affidavit stating the customer's ability to repay the loan

As of the examination date, the licensee offers title loans with the original term of 210 days which parallel NRS 604A.445(3):

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

This grace period payments deferment agreement consists of separating the interest and principal from the original amortized schedule payments and prolonging the payment of principal until the full interest is paid. This agreement has a schedule of 14 payments which for the first seven payments the customer pays only interest. For the remaining seven payments the customer pays the principal. The total amount paid under this agreement is higher from the original amortized payments scheduled under the original loan agreement.

The “Grace Period Payments Deferment Agreement” offered by TitleMax clearly contradicts with NRS 604A.445(3). Please refer to the State violation section of the report for additional details.

Training

TitleMax provides periodic training to all employees. New employees are trained upon hire and annually thereafter. All employees are required to complete refresher courses on-line and as needed. The Compliance Department has the responsibility of overseeing that all training materials are up to date with any industry changes and demands.

Display of License, Notices, and Disclosures

The State of Nevada, Financial Institutions Division NRS 604A license is displayed conspicuously by the licensee which is in compliance with NRS 604A.635 and NAC 604A.060.

The contact number of the office of the Commissioner, notice of fees charged and business hours are posted conspicuously in the location where the licensee conducts business, which is in compliance with, NRS 604A.405, NAC 604A.130, NAC 604A.140, and NAC 604A.150.

Record Retention

As stated in the managers questionnaire, it is the licensee’s policy to maintain all records for five years, which is in compliance with NRS 604A.700 and NAC 604A.200.



EXAMINATION COMMENTS AND CONCLUSIONS

Collection Agency Utilized by the Licensee

As of examination date, the licensee does not utilize a collection agency for accounts in default. The licensee's internal collections department currently handles these accounts.

FDCPA

TitleMax employees are required to be certified on an annual basis. All collection employees are required a minimum score of 80 percent to obtain the FDCPA certification. The store managers monitor all contact with debtors to ensure that policies and procedures are followed by all employees.

FinCen Registration

TitleMax is not considered a Money Services Business in accordance with 31 CFR Chapter X § 1022.380; as such, the licensee is not registered with FinCEN as a Money Service Business.

Complaints Filed Since the Previous Examination

The FID complaint database was verified and it indicates that there were three (3) complaints filed against the licensee since the last examination. Out of the three, one complaint was still open as of the close date of the examination. The complaint of Esther Vasquez under complaint number 68670 was still open.

Total Sample Size

As of Exam Date	May 4, 2015
-----------------	-------------

	Population	Sample Size	Penetration
LOAN TYPES:			
Active Loans	249	5	2.01%
Delinquent Loans	62	5	8.06%
Closed Loans	No Inventory	5	0.00%
Declined Loans	0	0	0.00%
Total Loans =	311	15	4.82%

During this follow-up examination, declined loans were not reviewed.

PREVIOUS VIOLATIONS OF STATUTES AND REGULATIONS

REPEAT VIOLATION

NRS 604A.450 Title loans: Prohibited acts by licensee regarding amount of loan and customer's ability to repay loan. A licensee who makes title loans shall not:

- 2. Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.**



EXAMINATION COMMENTS AND CONCLUSIONS

The licensee was previously cited for underwriting loans without regard to the customer's ability to repay the title loan. This is no longer apparent since the licensee started underwriting loans with an original term of 210 days, therefore, this violation is deemed rectified.

NAC 604A.230 Prohibited acts: Miscellaneous acts.

NRS 604A.105 "Title loan" defined.

NRS 604A.115 "Title to a vehicle" or "title" defined. "Title to a vehicle" or "title" means a certificate of title or ownership issued pursuant to the laws of this State that identifies the legal owner of a vehicle or any similar document issued pursuant to the laws of another jurisdiction.

During the previous examination, the licensee was cited for allowing co-borrowers to be co-signors on the title loan where the co-borrower's name was not in the vehicle title. No such instance was found at this location. As such, this is deemed rectified.

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

Since the previous examination, Titlemax implemented a 210 day title loan product that mirrors NRS 604A.445 (3). The current examination showed that Titlemax's original loan agreement complies with NRS 604A.445(3). The examination also showed that Titlemax markets and offers an amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210. This is still apparent during the current examination and is cited as a repeat violation.

EXIT MEETING

The exit meeting was held telephonically on June 17, 2015. TitleMax was represented by the following:

Carrie E. Carbone, SVP of Compliance and Product General Counsel
Victoria Newman, Compliance and Corporate Counsel
Stephen Paris, Senior Regulatory Compliance Manager
Ted Helgeson, Divisional Vice President of Operations
Coleman Gaines, Senior Vice President of Operations-West
Melissa Ardis, Director of Compliance
Nicole Lovelock, Outside Counsel from Holland and Hart

The Financial Institutions Division was represented by the following:

Harveen Sekhon, Supervisory Examiner



EXAMINATION COMMENTS AND CONCLUSIONS

Christopher Eccles, Attorney
Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

CURRENT VIOLATIONS OF APPLICABLE STATUTES AND REGULATIONS

STATE

REPEAT VIOLATION

NRS 604A.445 Title loans: Restrictions on duration of loan and periods of extension.

Notwithstanding any other provision of this chapter to the contrary:

3. The original term of a title loan may be up to 210 days if:

- (a) The loan provides for payments in installments;**
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;**
- (c) The loan is not subject to any extension; and**
- (d) The loan does not require a balloon payment of any kind.**

NRS 604A.210 Chapter does not prohibit licensee from offering customer grace period. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not charge the customer:

- 1. Any fees for granting such a grace period; or**
- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
12869-0121415	F. Rosales	\$5,079.66	\$6,188.83	\$1,109.17
12869-0123521	D. Becerra	\$11,150.70	\$13,066.93	\$1,916.23
12869-0157635	M. Gonzales	\$3,500.21	\$4,281.00	\$780.79
12869-0143136	T. Grant	\$1,784.11	\$2,189.30	\$405.19

Management Response: Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.

FEDERAL

No violations of Federal laws were noted during the examination. However, this examination should not be considered a full compliance examination relative to Federal statutes.



EXAMINATION COMMENTS AND CONCLUSIONS

SUMMARY

Each licensee, upon completion of an examination, is rated “Satisfactory,” “Needs Improvement,” or “Unsatisfactory,” based primarily on compliance with applicable statutes and regulations and the perceived capability of management to achieve and maintain such compliance. The rating of the licensee at this examination is “Unsatisfactory.”

A rating of “**Unsatisfactory**” indicates that the licensee and the management of the licensee have demonstrated substantial lack of compliance with applicable laws and regulations and that immediate remedial action is required for the correction of the violations and deficiencies noted in the report made by the examiner pursuant to NRS and NAC. A rating of “Unsatisfactory” may be given if there were minor violations or deficiencies from a previous examination that were not corrected. Be advised that you may be subject to disciplinary action due to the nature of the violations. You may request an administrative hearing regarding the Division’s findings of deficiencies and violations. If you do wish to request an administrative hearing, please state so in your response letter. A written response to the examination is required within 30 days outlining the actions that will be taken to correct all deficiencies and violations noted in the report. The Financial Institutions Division may conduct a follow up examination within three (3) months to ensure corrective actions have been implemented.



E - 61



BRIAN SANDOVAL
Governor

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION

BRUCE BRESLOW
Director

GEORGE E. BURNS
Commissioner

CHAPTER 604A
REPORT OF EXAMINATION

TITLEMAX OF NEVADA INC.
DBA: TITLEMAX
4001 N. LAS VEGAS BLVD.,
LAS VEGAS, NV 89115
WWW.TITLEMAX.COM

Examiner In Charge:	Ma. Theresa Dihiansan	Examined as of:	May 4, 2015
Examination Started:	May 19, 2015	Examination Closed:	June 17, 2015
Total Exam Hours:	13.0	Examination Number:	67885

THIS REPORT IS STRICTLY CONFIDENTIAL

The information contained in this report is based on the books and records of the licensee as licensed under NRS 604A, on statements made to the examiner by the directors, officers, and employees, and on information obtained from other sources believed to be reliable and presumed by the examiner to be correct. It is emphasized that this report is a report of examination, and not an audit of the licensee, and should not be construed as such. This report of examination does not replace nor relieve the principals of their responsibility for performing or providing for adequate audits of the business.

This copy of the report is the property of the Department of Business and Industry of the State of Nevada, and is furnished to the licensee for its confidential use. Under no circumstances shall the licensee, or any of its directors, officers, or employees disclose in any manner the report or any portion thereof to any person or organization not officially connected with the licensee as officer, director, attorney, or auditor unless otherwise directed. Should any legal process document be served calling for the surrender of this report or any portion thereof, the Commissioner of the Financial Institutions Division shall be notified immediately.

Each principal has the responsibility to review the contents of this report.

State of Nevada
Department of Business and Industry, Financial Institutions Division

Ma. Theresa Dihiansan, CAMLS
Examiner In Charge

APP 013284 09330
ROA 011990

EXAMINATION COMMENTS AND CONCLUSIONS

INTRODUCTION

The follow-up examination of TitleMax of Nevada Inc. DBA: TitleMax located at 4001 N. Las Vegas Blvd., Las Vegas, NV 89115 commenced on May 4, 2015. This business location currently holds a Nevada Revised Statutes (NRS) Chapter 604A license issued by the State of Nevada Financial Institutions Division (FID). The licensee has been granted the approval to underwrite Title Loans in accordance with applicable statutes and regulations.

The licensee's website www.titlemax.com is used to advertise the various products and services it currently offers. Customers can start the application process online but must visit the branch location to process the loan.

As of the examination date, TitleMax currently has 42 licensed locations in the State of Nevada and all the locations were visited during the process of this examination. The corporate office located at 15 Bull St., Suite 200, Savannah Georgia 31401 is also licensed under NRS 604A. This location does not underwrite loans and is used for administrative purposes only. All licensed locations are listed in the table below:

Store	Address	City	State	Zip
TitleBucks	7150 S. DURANGO DRIVE, #190	LAS VEGAS	NV	89113
TitleMax	6820 W. FLAMINGO RD, SUITE F & G	LAS VEGAS	NV	89103
TitleMax	6525 S. FORT APACHE ROAD, STE 110	LAS VEGAS	NV	89148
TitleMax	3525 S. FORT APACHE ROAD, SUITE 160	LAS VEGAS	NV	89147
TitleMax	4700 SPRING MOUNTAIN ROAD	LAS VEGAS	NV	89102
TitleMax	3575 W. TROPICANA AVENUE	LAS VEGAS	NV	89103
TitleMax	5060 S. FORT APACHE ROAD, SUITE 140	LAS VEGAS	NV	89148
TitleMax	6795 W. TROPICANA AVENUE, SUITE 140	LAS VEGAS	NV	89103
TitleMax	7615 S. RAINBOW BLVD, STE 100	LAS VEGAS	NV	89139
TitleMax	7380 S. EASTERN AVENUE, SUITE 126	LAS VEGAS	NV	89123
TitleMax	3810 BLUE DIAMOND ROAD #150	LAS VEGAS	NV	89139
TitleMax	6530 S. DECATUR BLVD, #100	LAS VEGAS	NV	89118
TitleMax	9555 S. EASTERN AVE, SUITE 105	LAS VEGAS	NV	89123
TitleMax	3391 E. TROPICANA AVENUE, STE 1	LAS VEGAS	NV	89121
TitleMax	3547 S. MARYLAND PKWY	LAS VEGAS	NV	89169
TitleMax	3365 E. FLAMINGO ROAD, SUITE 1	LAS VEGAS	NV	89121
TitleMax	4749 S. MARYLAND PKWY	LAS VEGAS	NV	89119
TitleMax	4650 E. SUNSET ROAD, SUITE C	HENDERSON	NV	89014
TitleMax	16 W. HORIZON RIDGE PKWY #160	HENDERSON	NV	89012
TitleMax	4944 BOULDER HIGHWAY	LAS VEGAS	NV	89121
TitleMax	4000 BOULDER HWY, SUITE 5	LAS VEGAS	NV	89121
TitleMax	1210 N. BOULDER HWY, SUITE C	HENDERSON	NV	89011



EXAMINATION COMMENTS AND CONCLUSIONS

Store	Address	City	State	Zip
TitleBucks	4150 BOULDER HIGHWAY, SUITE 105	LAS VEGAS	NV	89121
TitleMax	2400 N. BUFFALO DRIVE #140	LAS VEGAS	NV	89128
TitleMax	2550 S. EASTERN AVENUE	LAS VEGAS	NV	89169
TitleMax	6450 W. LAKE MEAD BLVD, STE 150	LAS VEGAS	NV	89108
TitleMax	3900 W. SAHARA AVENUE	LAS VEGAS	NV	89102
TitleMax	4811 WEST CRAIG ROAD	LAS VEGAS	NV	89130
TitleMax	6436 N. DECATUR BLVD., #115	LAS VEGAS	NV	89131
TitleMax	4077 W. CHARLESTON BLVD.	LAS VEGAS	NV	89102
TitleBucks	4750 W. LAKE MEAD, #102	LAS VEGAS	NV	89108
TitleMax	8414 W. FARM ROAD, SUITE 130	LAS VEGAS	NV	89131
TitleMax	4001 N. LAS VEGAS BLVD.	LAS VEGAS	NV	89115
TitleMax	3220 S. VIRGINIA STREET	RENO	NV	89502
TitleMax	2020 E. WILLIAMS STREET	CARSON CITY	NV	89701
TitleMax	1995 W. WILLIAMS AVENUE	FALLON	NV	89406
TitleMax	900 W. FIFTH STREET	RENO	NV	89503
TitleMax	1600 N. NELLIS BLVD, SUITE 102	LAS VEGAS	NV	89115
TitleMax	1225 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	4741 E. CHARLESTON BLVD.	LAS VEGAS	NV	89104
TitleMax	6060 BOULDER HWY.	LAS VEGAS	NV	89122
TitleMax	5871 E. LAKE MEAD BLVD.	LAS VEGAS	NV	89156
TitleMax	15 BULL ST.	SAVANNAH	GA	31401

As of the examination date, the store located at 6060 Boulder Hwy., Suite 5 and 6, Las Vegas, NV 89122 was just opened for business and has not started underwriting title loans yet. As such, loan review was not part of the scope of the examination for this location.

SCOPE OF EXAMINATION

The primary purpose of the examination was to determine compliance with NRS Chapter 604A and Nevada Administrative Code (NAC) Chapter 604A. The examination consisted of a review of active, paid, delinquent and declined loans, a review of surety bond terms, completion of the manager's and statutory compliance questionnaires, and a review of the company's policies and procedures and forms used in the operation of the business. Appropriate licenses and fee-related postings were also examined. Emphasis was placed on compliance with State regulations as well as the Truth in Lending Act (Regulation Z).

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EXAMINATION COMMENTS AND CONCLUSIONS

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The Annual Report of Operations was received by the FID on March 24, 2015. The licensee is in compliance with NRS 604A 750.

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The Title loan underwriting process includes:

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- Income and obligations
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3. The original term of a title loan may be up to 210 days if:
 - (a) The loan provides for payments in installments;
 - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;



EXAMINATION COMMENTS AND CONCLUSIONS

- (c) The loan is not subject to any extension; and
- (d) The loan does not require a balloon payment of any kind.

The licensee is still in the process of collecting on old loans that were underwritten with an original term of 30 days which were underwritten prior to the last examination date.

As observed during the prior examination, the licensee is still utilizing the “Grace Period Payments Deferment Agreement.” Some of the branch locations visited had pre-printed copies of the grace period payments deferment agreement in the customer files. The employees are also encouraging the customers to enter into this grace period payment deferment agreement.

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EXAMINATION COMMENTS AND CONCLUSIONS

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As of Exam Date	May 4, 2015
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Total Loans =	546	15	2.75%

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REPEAT VIOLATION

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EXAMINATION COMMENTS AND CONCLUSIONS

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Ma. Theresa Dihiansan, Examiner-In-Charge
Dean Ventura, Examiner
Kelvin Lam, Examiner

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- 2. Any additional fees or additional interest on the outstanding loan during such a grace period.**

During the current examination, TitleMax underwrites title loans with an original term of 210 days which mirrors NRS 604A.445 (3). It was also apparent during the examination that Titlemax continued to offer the amendment to the original loan agreement that violates NRS 604A.445 (3) and NRS 604A.210.

Onsite visits to Titlemax locations and conversations with store employees showed that Titlemax currently offers the customers an amendment to the original loan agreement called the "Grace Period Payments Deferment Agreement" (hereinafter, the "Amended Agreement") during the term of the loan. The customer may enter into the grace period payments deferment agreement prior to default if the customer chooses to make lower monthly payments although the total amount owed by the customer in the amended agreement will be higher than the total amount owed under the original loan agreement.



EXAMINATION COMMENTS AND CONCLUSIONS

The text of the Amended Agreement provides:

“Because this is only an amendment and modification of the loan agreement in which we are only modifying and deferring your payments under the Title Loan Agreement, you acknowledge and agree that all of the terms and conditions of the Title Loan Agreement, including the charging of simple interest and waiver of jury trial and arbitration provision remain in full force and effect.”

This statement shows an intent to avoid compliance with NRS 604A.445(3). Under the original loan agreement the customer makes seven fully amortized payments (210 days) to pay the loan off without a balloon payment at the end, thereby complying with all provisions of NRS 604A.445(3). But, under the Amended Agreement, the customer makes 14 payments (390 days), the first seven payments are interest payments only and last seven payments are principal payments. Thus, the Amended Agreement separates interest and principal from the original amortized schedule of payments, and thereby prolongs the payment of principal until the full interest is paid.

For an example of how customers owe more under the Amended Agreement compared to the original agreement, please see below:

PAID OFF ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Actual Amount Collected/Paid by Customer	Overage/Overpayment
13469-0130260	C. Rodriguez	\$1,321.92	\$1,396.58	\$74.66

OPEN ACCOUNTS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the “Amended Loan Agreement”	Overage
13469-0128246	C. Hutchison	\$5,920.69	\$7,213.48	\$1,292.79
13469-0143388	M. Villela-Mejia	\$8,191.88	\$9,936.10	\$1,744.22
13469-0127396	M.Reyes	\$2,355.05	\$2,889.89	\$534.84
13469-0138130	J. Sainz-Torres	\$11,909.92	\$14,189.80	\$2,279.88



EXAMINATION COMMENTS AND CONCLUSIONS

Loan Number	Customer Name	Total Amount to be Paid Under the Original Loan Agreement	Total Amount to be Paid under the "Amended Loan Agreement"	Overage
13469-0147341	K. Obrien	\$1,427.29	\$1,751.44	\$324.15
13469-0145163	K. Obrien	\$1,819.80	\$2,233.10	\$413.30

Management Response: *Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.*

NAC 604A.160 Translation of documents written in language other than English. (NRS 604A.300)

- Y. A licensee who uses a form or standard loan agreement written in Spanish as required by NRS 604A.410, notice of opportunity to enter into a repayment plan written in Spanish as required by NRS 604A.475, or other form or standard document written in a language other than English shall cause the document to be translated into English and maintain together a copy of the document and its English translation.

NRS 604A.410 Written loan agreement required; contents.

- Y. Before making any loan to a customer, a licensee shall provide to the customer a written loan agreement which may be kept by the customer and which must be written in:
- Y. English, if the transaction is conducted in English; or
- (b) Spanish, if the transaction is conducted in Spanish.

The loan accounts itemized in the table below indicated that the language used is not consistent with the initial language used in the loan application and the loan disclosure agreement and other documentation used during the term of the loan:

Loan Number	Customer Name	Language Used In Loan Disclosure	Language Used in Repayment Plan Agreement/Grace Period Payments Deferment Agreement	Language Used In Loan Application And Affidavit
13469-0155922	A. Martinez	Spanish	English	English
13469-0130260	C. Rodriguez	Spanish	Spanish	English

Management Response: *Victoria Newman, Compliance and Corporate Counsel stated that the licensee will respond in writing upon receipt of the written report of examination for all locations.*

