

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF GEORGIA
THOMASVILLE DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	COMPLAINT FOR CIVIL
)	PENALTIES, INJUNCTIVE
v.)	AND OTHER RELIEF
)	
THE MONEY TREE, INC.,)	
a corporation, and)	
)	
VANCE R. MARTIN,)	CIVIL NO.
individually and as an)	
officer of the corporation,)	
)	
Defendants.)	

Plaintiff, the United States of America, acting upon the notification and authorization given to the Attorney General by the Federal Trade Commission ("Commission"), for its Complaint alleges that:

INTRODUCTION

1. Plaintiff brings this action under Sections 5(a), 5(m)(1)(A), 9, 13(b), and 16(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a), 45(m)(1)(A), 49, 53(b), and

56(a), and the Equal Credit Opportunity Act ("ECOA"), 15 U.S.C. §§ 1691-1691f, to obtain monetary civil penalties and injunctive and other relief for defendants' violations of the ECOA.

JURISDICTION AND VENUE

2. This court has jurisdiction over this action under 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355, and under 15 U.S.C. §§ 45(m)(1)(A), 49, 53(b), 56(a), and 1691(c).

3. Venue in the Middle District of Georgia, Thomasville Division, is proper under 28 U.S.C. §§ 1391(b-c) and 1395(a), and under 15 U.S.C. § 53(b).

DEFINITIONS

4. As used in this Complaint:

(a) the terms "age," "applicant," "application," "credit," "consumer credit," "creditor," "credit transaction," "discriminate against an applicant," and "elderly" are defined as provided in Section 202.2 of Regulation B, 12 C.F.R. § 202.2;

(b) the term "public assistance program" means any federal, state, or local governmental assistance program that provides a continuing, periodic

income supplement, whether premised on entitlement or need. The term includes, but is not limited to, Aid to Families with Dependent Children, food stamps, rent and mortgage supplement or assistance programs, Social Security, Supplemental Security Income, and unemployment compensation;

- (c) "Regulation B" refers to the amended version of Federal Reserve Board Regulation B, 12 C.F.R. Part 202, in effect on or after March 23, 1977;
- (d) "Equal Credit Opportunity Act" refers to 15 U.S.C. §§ 1691-1691f, as amended, or as it may be hereinafter amended;
- (e) "Federal Trade Commission Act" refers to 15 U.S.C. §§ 41-58, as originally enacted and subsequently amended.

DEFENDANTS

5. Defendant The Money Tree, Inc. ("Money Tree"), is a corporation organized and doing business under the laws of the State of Georgia with its principal office and place of business located within the Middle District of Georgia at 114 South Broad Street, Bainbridge, Georgia 31717. In the course and conduct of its business, defendant Money Tree has also done business as "Money To Lend, Inc." and "Money To Lend."

6. Defendant Vance R. Martin is the president and sole shareholder of Money Tree. Individually or in concert with others, defendant Vance R. Martin has formulated, directed, and controlled the acts and practices of Money Tree, including the acts and practices set forth herein. His business address is the same as that of the corporate defendant. In connection with the matters alleged herein, Vance R. Martin has transacted business in the Middle District of Georgia.

7. Defendant Money Tree makes installment loans to consumers. Defendant Vance R. Martin, in the ordinary course of Money Tree's business, regularly participates in Money Tree's decision to extend credit to consumers. Defendants are therefore "creditors" as that term is defined by Section 702(e) of the ECOA, 15 U.S.C. § 1691a(e), and are, therefore, subject to the provisions of the ECOA and its implementing Regulation B, 12 C.F.R. Part 202.

FIRST COUNT

8. Since approximately October 1991, on numerous occasions, defendants have discriminated against applicants who derive all or part of their income from a public assistance program by, inter alia:

- (a) imposing stricter loan terms on applicants who derive all or part of their income from a public assistance program than are imposed on other applicants, including but not limited to, smaller loans and shorter repayment periods;

- (b) requiring applicants who derive all or part of their income from a public assistance program to participate in a program whereby their monthly payments are deposited in a financial institution designated by defendants as a condition of an extension of credit, when other applicants are not required to participate in such a program; and
- (c) collecting or attempting to collect loan payments prior to their loan due dates from applicants who derive all or part of their income from a public assistance program, while not doing so from other applicants.

9. Defendants' practices described in Paragraph 8 violate Section 701(a)(2) of the ECOA, 15 U.S.C. § 1691a(2), and Sections 202.4, 202.6(b)(1), 202.6(b)(2), and 202.6(b)(5) of Regulation B, 12 C.F.R. §§ 202.4, 202.6(b)(1), 202.6(b)(2), and 202.6(b)(5).

10. Defendants have engaged in the practices described in Paragraph 8 with the knowledge required under Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A).

SECOND COUNT

11. Since approximately October 1991, on numerous occasions, defendants have discriminated against elderly applicants who were not eligible for credit-life or credit-disability insurance because of their age, by discouraging applications from, refusing to extend credit to, or offering credit on less favorable terms to such elderly applicants on the basis of their age, thereby violating Section 701(a)(1) of the ECOA, 15 U.S.C. § 1691(a)(1); and Sections 202.4, 202.5(a) and 202.7(e) of Regulation B.

12. Defendants have engaged in the practices described in Paragraph 11 with the knowledge required under Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A).

PRAYER FOR RELIEF

13. Section 5(m)(1)(A) of the FTC Act, 15 U.S.C. § 45(m)(1)(A), authorizes the Court to award civil penalties of not more than \$10,000 for each violation of the ECOA and Regulation B.

14. Each credit transaction during the five years preceding the filing of this Complaint in which defendants have failed to comply with the requirements of the ECOA and Regulation B, as alleged in Paragraphs 8 and 11, constitutes a separate violation for the purpose of assessing monetary civil penalties.

15. Section 13(b) of the FTC Act, 15 U.S.C§ 53(b), authorizes the Court to issue permanent injunctions against defendants' violations of the ECOA and Regulation B, as well as ancillary equitable relief.

WHEREFORE, plaintiff requests that this Court, pursuant to 15 U.S.C§§ 45(a)(1), 45(m)(1)(A), 49, and 53(b) and to the Court's own equity powers:

(1) Enter judgment against defendants and in favor of plaintiff for each violation alleged in the complaint;

(2) Award plaintiff monetary civil penalties for each violation of the ECOA and Regulation B as alleged in this Complaint;

(3) Enjoin defendants from violating any provision of the ECOA and Regulation B; and

(4) Award plaintiff such additional relief as the Court may deem just and proper.

Dated:

FOR THE UNITED STATES OF AMERICA:

Of Counsel:
DAVID MEDINE
Associate Director
for Credit Practices

PEGGY TWOHIG
Assistant Director
for Credit Practices

H. RANDOLPH ADERHOLD
United States Attorney
Middle District of Georgia

By: _____
WILLIAM D. GIFFORD
Assistant United States Attorney
Middle District of Georgia
P.O. Box U
Macon, Georgia 31202
(912) 752-8178

ROLANDO BERRELEZ
THOMAS E. KANE
Attorneys
Division of Credit Practices
Bureau of Consumer Protection
Federal Trade Commission
Washington, D.C. 20580

ISABELLE KATZ PINZLER
Acting Assistant Attorney General
for Civil Rights

PAUL F. HANCOCK
Chief
Housing and Civil Enforcement Section
Civil Rights Division

GAVIN C. DOWELL
Attorney
Housing and Civil Enforcement Section
Civil Rights Division
U.S. Department of Justice
Washington, D.C. 20530