

JANET T. MILLS
ATTORNEY GENERAL



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April 1, 2014

David S. Sherman, Jr., Esq.
Drummond Woodsum
84 Marginal Way, Suite 600
Portland, ME 04101-2480

Credit Acceptance
Re: In the Matter of: Source One Financial Corporation

Dear Dave:

Enclosed please find a fully executed original of the Assurance of Discontinuance as requested by your client in the above-referenced matter. Thank you for your assistance in reaching this resolution.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn A. Silsby".

CAROLYN A. SILSBY
Assistant Attorney General

CAS
Enclosure

STATE OF MAINE
OFFICE OF THE ATTORNEY GENERAL

In the Matter of:

CREDIT ACCEPTANCE CORPORATION

ASSURANCE OF DISCONTINUANCE

This Assurance of Discontinuance ("Assurance") is entered into by the Attorney General of the State of Maine ("Attorney General"), acting pursuant to 5 M.R.S. § 210 of the Unfair Trade Practices Act (the "UTPA," 5 M.R.S. §§ 205-A through 214), and Credit Acceptance Corporation ("Credit Acceptance").

BACKGROUND

1. Credit Acceptance is a Michigan corporation with a principal office located at 25505 W. 12 Mile Road, Suite 3000, Southfield, Michigan 48086-8339. Since 1994, it has been licensed by the Maine Bureau of Consumer Credit Protection as a sales finance company.
2. The Attorney General conducted an investigation of Glenn A. Geiser, Jr., who operated through successive used car dealerships known as Bangor Car Care, Inc., Bumper2Bumper, Inc. ("B2B") and My Maine Ride ("MMR") (collectively, "Geiser").
3. Geiser was licensed by the Maine Bureau of Consumer Credit Protection as a general creditor who could enter into retail sales installment contracts with consumers to enable them to purchase a vehicle from him.

4. The Attorney General's investigation revealed that Geiser promoted and sold his vehicles to consumers with poor or no credit who needed financing to purchase a vehicle.

5. Geiser assigned retail sales installment contracts with consumers to sales finance companies, including Credit Acceptance.

6. Based upon her investigation, on January 31, 2014, the Attorney General brought an action in the public interest against Geiser in the Penobscot County Superior Court for alleged violations of the UTPA including, but not limited to:

- A. Geiser's pattern or practice of misrepresenting to consumers that the vehicles he promoted and sold were high quality, safe and dependable when, in fact, the vehicles were at or near the end of their useful lives, unsafe, and/or inoperable. This caused certain consumers to experience major mechanical and/or inspection-related problems within a few days or weeks of delivery and to stop making payments to the holder of the retail sales installment contract.
- B. Geiser's pattern or practice of promoting and selling vehicles that could not pass inspection ("Unsafe Motor Vehicles" or "UMVs") and requiring consumers who purchased UMVs to pay a down payment, complete the financing application and other paperwork, and pick up the UMV at a later date after Geiser put an inspection sticker on the vehicle; and

C. Geiser's pattern or practice of responding to consumer complaints in a manner that was rude and abusive and calculated to discourage redress.

7. Pursuant to 9-A M.R.S. § 3-403(1), an assignee of the rights of the seller in a consumer credit sale is subject to all claims and defenses of the buyer against the seller arising out of the sale.

8. On or about March 12, 2014, the Attorney General informed Credit Acceptance of her lawsuit against Geiser, and her position that Credit Acceptance is subject to all claims and defenses of the buyer against Geiser arising out of the sale.

9. Thereafter, Credit Acceptance engaged in discussions with the Attorney General regarding its position on the issues and fully cooperated with the Attorney General's investigation. Credit Acceptance informed the Attorney General that it has ceased any new business with Geiser.

ATTORNEY GENERAL'S POSITION

10. The Attorney General contends that, pursuant to 9-A M.R.S. § 3-403(1), Credit Acceptance is liable to consumers for an amount not to exceed the amounts owed under the contract for any unfair and/or deceptive acts or practices that are found to have been committed by Geiser, in violation of 5 M.R.S. § 207.

CREDIT ACCEPTANCE'S POSITION

11. Credit Acceptance denies that it has violated any Maine laws, including, without limitation, the UTPA.

AGREEMENT

12. To resolve the concerns of the Attorney General, Credit Acceptance agrees to:

- A. No longer engage in any business dealings with Geiser or any entity that he operates or controls, or in which Geiser has an ownership interest;
- B. Not collect a deficiency balance from any consumer who purchased a vehicle from Geiser, had his/her vehicle repossessed by Credit Acceptance on or after March 21, 2007, and did not redeem his/her vehicle thereafter ("Affected Buyers"); and
- C. Request that the credit reporting agencies Transunion, Experian, and Equifax permanently delete Credit Acceptance's trade line from the credit history of any Affected Buyer.

13. The Attorney General agrees to release Credit Acceptance and its officers, employees, attorneys, and owners from all claims, causes of action, penalties and costs that were, or could have been, asserted on behalf of the State of Maine prior to the effective date of this Assurance, and relating to, or based upon, the subject matter of this Assurance. Notwithstanding the foregoing, the

Attorney General may institute an action or proceeding for violation of any provision of this Assurance.

GENERAL PROVISIONS

14. This Assurance does not constitute an approval by the Attorney General of Credit Acceptance's business practices, and Credit Acceptance shall make no representation to the contrary.

15. Pursuant to 5 M.R.S. § 210, any violation of this Assurance shall constitute *prima facie* evidence of an act or practice declared to be unlawful by 5 M.R.S. § 207.

16. In the event the Attorney General believes that Credit Acceptance has failed to comply with any provision of this Assurance, the Attorney General shall notify Credit Acceptance of the provision(s) of this Assurance that the Attorney General believes Credit Acceptance has violated. Such notification shall be provided by the Attorney General to Credit Acceptance not fewer than ten (10) business days before the Attorney General initiates any action relating to such alleged violation. The Parties agree to use this period to work together, in good faith, to resolve any issues identified by the Attorney General.

17. This Assurance constitutes the entire agreement of the parties hereto and supersedes all prior agreements or understandings, whether written or oral, between the parties and/or their respective counsel concerning the subject matter addressed herein. Any amendment or modification of this Assurance must be in writing and signed by duly authorized representatives of all the parties hereto.

18. This Assurance shall be binding upon, and inure to the benefit of, the parties and their successors-in-interest.

19. Jurisdiction is retained by the Kennebec County Superior Court in the event that this matter is reopened by the Attorney General for further proceedings in the public interest.

20. Each undersigned individual represents and warrants that he or she is fully authorized by the party he or she represents to enter into this Assurance and to legally bind such party to the terms and conditions of this Assurance.

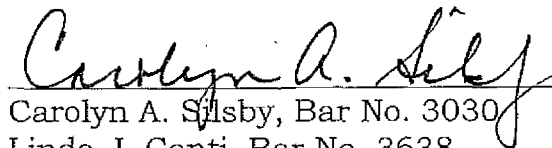
EFFECTIVE DATE

21. The effective date of this Assurance is the date that it is filed in the Kennebec County Superior Court.

IN WITNESS WHEREOF, we, the undersigned, have the authority to consent and sign on behalf of the parties in this matter, and hereby consent to the form and contents of this Assurance, and to its entry.

JANET T. MILLS
ATTORNEY GENERAL

Date: April 1, 2014




Carolyn A. Silsby, Bar No. 3030
Linda J. Conti, Bar No. 3638
Assistant Attorneys General
Consumer Protection Division
Office of the Attorney General
6 State House Station
Augusta, ME 04333-0006
(207) 626-8800

CREDIT ACCEPTANCE CORPORATION

Date:

By:



Charles A. Pearce, Esq.
Chief Legal Officer

STATE OF MAINE
OFFICE OF THE ATTORNEY GENERAL

In the Matter of:

CREDIT ACCEPTANCE CORPORATION

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AGREEMENT

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JANET T. MILLS
ATTORNEY GENERAL

Date:

April 1, 2014

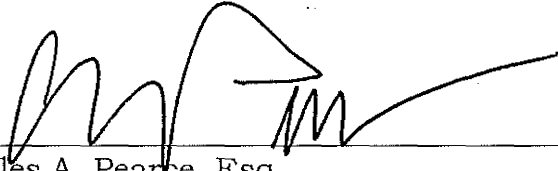
Carolyn A. Silsby

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Assistant Attorneys General
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CREDIT ACCEPTANCE CORPORATION

Date:

By:



Charles A. Pearce, Esq.
Chief Legal Officer