

STATE OF MAINE
OFFICE OF THE ATTORNEY GENERAL

In the Matter of:

MID-ATLANTIC FINANCE COMPANY

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 Mid-Atlantic Finance Company ("Mid-Atlantic" or "Respondent").

BACKGROUND

1. Mid-Atlantic is a Florida corporation with a principal office located at 4592 Ulmerton Road, Suite 200, Clearwater, Florida 33762-4107. Since 2011, it has been licensed by the Maine Bureau of Consumer Credit Protection as a sales finance company.

2. In February 2013, Mid-Atlantic began doing business with a used car dealership operated by My Maine Ride ("MMR"), which is owned by Glenn A. Geiser, Jr. Mr. Geiser and the dealership are referred to collectively herein as "Geiser."

3. The Attorney General asserts that Geiser promoted his vehicles to consumers with poor credit who needed financing to purchase a vehicle.

4. The Attorney General asserts that Geiser claimed that his vehicles were high quality, safe and dependable, but, in truth and in fact, they were older, high mileage models that were at or near the end of their useful lives.

5. The Attorney General asserts that most of the vehicles displayed for sale at B2B and MMR were labeled as Unsafe Motor Vehicles (“UMVs”) because they could not pass inspection. The Attorney General further asserts that Geiser required a consumer buying a UMV to pay a down payment, complete the financing application and other paperwork, and return at a later date to pick up the vehicle after it had been given an inspection sticker.

6. Geiser was licensed by the Maine Bureau of Consumer Credit Protection as a general creditor that could enter into credit contracts with consumers to enable them to purchase a vehicle from him.

7. Geiser assigned many of his credit contracts with consumers to various sales finance companies, including Mid-Atlantic.

8. The Attorney General asserts that many consumers who purchased a vehicle from Geiser experienced major mechanical and/or inspection-related problems within a few days or weeks of delivery, which rendered it unsafe or inoperable.

9. The Attorney General asserts that Geiser responded to consumer complaints in a manner that was rude and abusive and calculated to discourage redress.

10. The Attorney General asserts that many consumers who had an unsafe or inoperable vehicle stopped making loan payments to the holder of the credit contract, often resulting in repossession and a loan deficiency.

11. The Attorney General recently 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, deceptive claims over the quality of his vehicles, deceptive and/or unfair practices for failing to disclose known mechanical defects and putting inspection stickers on vehicles that should not have passed inspection, and misrepresenting the sale of U MVs as those of ordinary used vehicles.

12. 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 in an amount not exceeding the balance due under the contract as of the date the assignee receives notice of the claim or defense.

THE ATTORNEY GENERAL'S POSITION

13. The Attorney General contends that, pursuant to 9-A M.R.S. § 3-403(1), Respondent is liable to consumers who purchased a vehicle from Geiser ("Geiser buyers") 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.

RESPONDENT'S POSITION

14. Respondent denies that it has violated any Maine laws, and denies that it knew of the acts and omissions of Geiser that underlie the Attorney

General's claims against Geiser. Respondent also denies that it acted in concert in any way with Geiser.

AGREEMENT

15. To resolve the concerns of the Attorney General, Respondent agrees to the following terms:

- A. Mid-Atlantic shall 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. Mid-Atlantic shall not pursue any Geiser buyer for any loan deficiency following a repossession. This prohibition shall not apply to the collection of any insurance proceeds arising out of the damage or destruction of any vehicle securing a loan (except in cases where the customer uses the insurance proceeds to repair the vehicle); and
- C. Mid-Atlantic shall request that the credit reporting agencies Transunion, Experian, and Equifax permanently delete Mid-Atlantic's trade line from the credit history of any Geiser buyer who had a loan deficiency following a repossession.

16. The Attorney General hereby releases Respondent 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, or for Respondent's future conduct.

GENERAL PROVISIONS

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

18. 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.

19. 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.

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

21. 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.

22. 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.

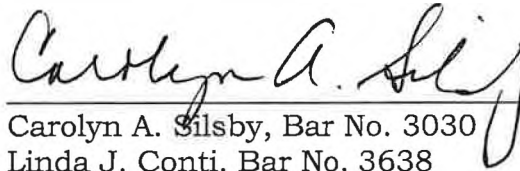
EFFECTIVE DATE

23. 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: 6/17/14



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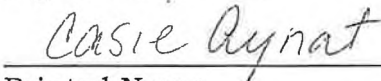
MID-ATLANTIC FINANCE COMPANY

Date: 6/10/14

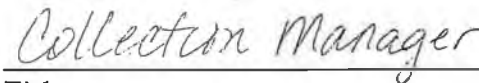
By:



Signature



Printed Name



Title