

STATE OF MAINE
OFFICE OF THE ATTORNEY GENERAL

In the Matter of:

SOURCE ONE FINANCIAL 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. §§ 205-A through 214), and Source One Financial Corporation ("Source One" or "Respondent").

BACKGROUND

1. Source One is a Massachusetts corporation with a principal office located at 183R Washington Street, Norwell, Massachusetts 02061-1752. Since 2000, it has been licensed by the Maine Bureau of Consumer Credit Protection as a sales finance company.

2. In 2003, Source One began doing business with Glenn A. Geiser, Jr., who operated successive used car dealerships known as Bangor Car Care, Inc. and Bumper2Bumper, Inc. ("B2B") and My Maine Ride ("MMR"). Source One never did any business with MMR. Mr. Geiser and the dealerships are referred to collectively herein as "Geiser."

3. Geiser promoted his vehicles to consumers with poor credit who needed financing to purchase a vehicle.

4. 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. Most of the vehicles displayed for sale at B2B and MMR were labeled as Unsafe Motor Vehicles ("UMVs") because they could not pass inspection. 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 Source One which did not take any assigned contracts with MMR.

8. 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. Geiser responded to consumer complaints in a manner that was rude and abusive and calculated to discourage redress.

10. 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 Unfair Trade Practices Act 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 UMVs 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.

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 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. Source One denies having any knowledge of Geiser's business practices as set forth herein.

15. Source One represents that it stopped doing business with Geiser for new customers about a year ago, in part due to its receipt of a large number of consumer complaints, and that it has never pursued a collection action against any consumer who had a loan deficiency following a repossession.

16. Source One denies that it violated 9-A M.R.S. § 3-403(1) or 5 M.R.S. § 207.

AGREEMENT

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

A. Source One 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. Source One shall not pursue any consumer who purchased a vehicle from Geiser for any loan deficiency following a repossession. This prohibition shall not apply to the repossession of any vehicle securing a loan or 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. Source One shall direct all applicable credit reporting agencies to remove any adverse credit report that Source One made since March 21, 2007 on any consumer who had a loan deficiency following repossession of a vehicle purchased from Geiser.

18. The Attorney General agrees to release and does hereby release 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

19. 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.

20. 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.

21. 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.

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

23. 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.

24. 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

25. 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: *March 27, 2014*

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SOURCE ONE FINANCIAL CORPORATION

Date: *3.21.14*

By:

Michael Parsons

Signature

Michael Parsons

Printed Name

CFO

Title