

1 ANDREW C. GLASS, *pro hac vice forthcoming*
andrew.glass@klgates.com
2 GREGORY N. BLASE, *pro hac vice forthcoming*
gregory.blase@klgates.com
3 K&L GATES LLP
State Street Financial Center
4 One Lincoln Street
Boston, MA 02111
5 Telephone: (617) 261-3100

6 JEREMY M. McLAUGHLIN (SBN 258644)
jeremy.mclaughlin@klgates.com
7 JONATHAN THEONUGRAHA (SBN 306812)
jonathan.theonugraha@klgates.com
8 K&L GATES LLP
Four Embarcadero Center, Suite 1200
9 San Francisco, CA 94111
Telephone: (415) 882-8200
10 Facsimile: (415) 882-8220

11 Attorneys for Defendant
MDG USA INC.

12
13 **UNITED STATES DISTRICT COURT**
14 **NORTHERN DISTRICT OF CALIFORNIA**
15

16 TYISHA DANZY, individually and on behalf of
all others similarly situated,

17 **Plaintiffs,**

18 vs.

19 MDG USA Inc., a Delaware corporation; and
20 DOES 1-50, inclusive,

21 **Defendants.**

Case No.

**NOTICE OF REMOVAL BY
DEFENDANT MDG USA INC.**

(Alameda County Superior Court
Case No. 22CV007409)

Complaint Filed: February 23, 2022
Trial Date: TBD

1 **TO THE CLERK OF THE COURT:**

2 **PLEASE TAKE NOTICE THAT**, pursuant to 28 U.S.C. §§ 1331, 1332, 1441, and 1446,
3 defendant MDG USA Inc. (“MDG”) removes to this Court the state court action described below.

4 **I. PROCEDURAL HISTORY**

5 1. On February 23, 2022, plaintiff Tyisha Danzy commenced an action in the Superior
6 Court of the State of California in and for the County of Alameda, entitled *Tyisha Danzy, individually*
7 *and on behalf of all others similarly situated, v. MDG USA Inc., a Delaware corporation; and Does 1-*
8 *50, inclusive*, as Case No. 22CV007409 (“State Court Action”).

9 2. Plaintiff served MDG with a copy of the summons and complaint on February 25, 2022.
10 A true and correct copy of the summons and complaint is attached as **Exhibit A**. The summons and
11 complaint attached as **Exhibit A** constitute all the process, pleadings, and orders served upon MDG in
12 the State Court Action. *See* 28 U.S.C. § 1446(a).

13 3. Plaintiff asserts that (a) MDG partners with Capital Community Bank (“CC Bank”), a
14 bank chartered under the laws of the State of Utah, to issue lines of credit to MDG customers, *see*
15 Compl. ¶ 14; (b) when consumers purchase merchandise from MDG, with lines of credit obtained from
16 CC Bank through MDG, the annual interest rate is set at or above 35%, *id.* ¶ 3; and thus, (c) MDG is
17 attempting to avoid the maximum interest rate allowed under California law, which plaintiff contends
18 is 10%. *Id.* ¶¶ 13, 17.

19 4. Plaintiff alleges that on or around March 17, 2018, she entered into a revolving credit
20 agreement (“2018 Agreement”) with CC Bank, pursuant to which she obtained credit to purchase
21 electronics from MDG at an interest rate of 35.95%. *See* Compl. ¶ 17.

22 5. Plaintiff purports to bring this action on behalf of herself and “[a]ll individuals in
23 California who, within the four years preceding the filing of this Complaint, paid interest on a loan
24 obtained from or marketed, underwritten, or serviced by MDG.” Compl. ¶ 22.

25 6. The complaint asserts a single cause of action for purported violation of the California
26 Unfair Competition Law (“UCL”), Cal. Bus. & Prof. Code §§ 17200, *et seq.* The complaint seeks
27 restitution, injunctive relief, interest, attorneys’ fees, and costs for plaintiff and the putative class. *See*
28 Compl., Prayer for Relief ¶¶ 1-5.

1 **II. BASIS FOR REMOVAL JURISDICTION—CLASS ACTION FAIRNESS ACT**

2 7. The Court has subject matter jurisdiction over this action pursuant to the Class Action
3 Fairness Act of 2005 (“CAFA”), and removal of the State Court Action to this Court is proper, because
4 (a) the action purports to be a “class action,” (b) the putative class consists of at least 100 supposed
5 class members, (c) the citizenship of at least one putative class member is different from the citizenship
6 of one defendant, and (d) the aggregate amount in controversy exceeds the sum or value of \$5,000,000,
7 exclusive of costs and interest. *See* 28 U.S.C. § 1332(d).

8 **A. Putative Class Action**

9 8. CAFA defines a “class action” as “any civil action filed under Rule 23 of the Federal
10 Rules of Civil Procedure or similar State statute or rule of judicial procedure authorizing an action to
11 be brought by 1 or more representative persons as a class action.” 28 U.S.C. § 1332(d)(1)(B).

12 9. Plaintiff alleges that the State Court Action is brought on behalf of an alleged “class”
13 pursuant to California Code of Civil Procedure Section 382, which authorizes class action suits. *See*
14 *Compl.* ¶ 22.

15 10. Thus, the CAFA “class action” requirement is satisfied.

16 **B. Putative Class Consists of No Less than 100 Members**

17 11. Removal under CAFA is appropriate where “the number of members of all proposed
18 plaintiff classes in the aggregate” is not less than 100. 28 U.S.C. § 1332(d)(5).

19 12. Plaintiff purports to bring this action on behalf of “[a]ll individuals in California who,
20 within the four years preceding the filing of this Complaint, paid interest on a loan obtained from or
21 marketed, underwritten, or serviced by MDG.” *Compl.* ¶ 22. Plaintiff further alleges that “the Class
22 comprises at least 100 individuals.” *Id.* ¶ 23.

23 13. Thus, the CAFA requirement regarding the number of purported class members is
24 satisfied. *See* 28 U.S.C. § 1332(d)(5).

25 **C. Minimal Diversity of Citizenship Exists**

26 14. Under CAFA, minimal diversity jurisdiction exists if any member of the purported class
27 is a citizen of a state different from any defendant. *See* 28 U.S.C. § 1332(d)(2)(A).

28 15. Plaintiff alleges that she resides in Alameda County, California. *See Compl.* ¶ 6.

1 16. MDG was and is a corporation incorporated under the laws of the State of Delaware and
2 has its principal place of business in Oakville, Ontario, Canada. Thus, MDG is not a citizen of
3 California. 28 U.S.C. § 1332(c)(1).

4 17. Although the complaint names “doe” defendants sued under fictitious names, pursuant
5 to 28 U.S.C. § 1441(b), the Court disregards the citizenship of defendants sued under fictitious names
6 for purposes of assessing its jurisdiction following removal. *See Newcombe v. Adolf Coors Co.*, 157
7 F3d 686, 690-91 (9th Cir. 1998).

8 18. The complaint does not name any other defendants.

9 19. Thus, minimal diversity exists because defendant MDG is not a citizen of California
10 and at least one purported class member, namely, plaintiff, is a citizen of California.

11 **D. Amount in Controversy Exceeds CAFA Threshold**

12 20. CAFA requires that the “matter in controversy exceeds the sum or value of \$5,000,000,
13 exclusive of interest and costs.” 28 U.S.C. § 1332(d)(2). “[T]he claims of the individual class members
14 shall be aggregated” when determining the matter in controversy. *Id.* § 1332(d)(6).

15 21. “[A] defendant’s notice of removal need include only a plausible allegation that the
16 amount in controversy exceeds the jurisdiction threshold.” *Dart Cherokee Basin Operating Co. v.*
17 *Owens*, 574 U.S. 81, 89 (2014).

18 22. Plaintiff contends that the alleged 35.95% interest rate charged under the 2018
19 Agreement exceeds the purported 10% maximum rate allowed under California law.¹ Compl. ¶ 17.

20 23. Plaintiff seeks relief on behalf of herself and all individuals in California who
21 purportedly paid interest on a line of credit from CC Bank used to purchase goods from MDG within
22 the four years preceding the filing of the complaint. Compl. ¶¶ 22, 32.

23 24. Plaintiff seeks restitution of all interest paid in excess of 10% over the four-year putative
24 class period. Compl. ¶¶ 17, 22, 32.

25 25. Plaintiff seeks an injunction to prevent MDG from collecting interest on the subject
26 lines of credit at an interest rate that exceeds 10%. Compl. ¶ 19. The future harm that MDG would

27
28 ¹ Plaintiff is wrong as a matter of law, but for the purposes of establishing removal jurisdiction, the Court assumes the truth of plaintiff’s allegations. *See Helm v. Alderwoods Grp., Inc.*, No. C 08-01184SI, 2008 WL 2002511, at *4 (N.D. Cal. May 7, 2008)

1 face in complying with such an injunction must be included when calculating the amount in
2 controversy. *See Gonzales v. CarMax Auto Superstores, LLC*, 840 F.3d 644, 648-49 (9th Cir. 2016);
3 *Fritsch v. Swift Transp. Co.*, 899 F.3d 785, 793 (9th Cir. 2018);

4 26. Plaintiff seeks attorneys' fees, costs, and interest. Compl., Prayer for Relief ¶¶ 3-5.
5 Awards of attorneys' fees and costs may be included in the amount in controversy. *See, e.g.*,
6 *Guglielmino v. McKee Foods Corp.*, 506 F.3d 696, 698 (9th Cir. 2007); *Galt G/S v. JSS Scandinavia*,
7 142 F.3d 1150, 1156 (9th Cir. 1998) (“[W]here an underlying statute authorizes an award of attorneys’
8 fees, either with mandatory or discretionary language, such fees may be included in the amount in
9 controversy.”). A fee award in a certified class action can often amount to as much as 25% of a class’s
10 recovery. *See, e.g., Jasso v. Money Mart Exp., Inc.*, 2012 WL 699465, at *7 (N.D. Cal. Mar. 1, 2012);
11 *Fritsch*, 899 F.3d at 793 (fees incurred at the time of removal as well as future attorneys’ fees may be
12 included when assessing the amount in controversy).

13 27. Although MDG denies all liability to plaintiff and the putative class, the complaint
14 asserts an aggregate amount in controversy in excess of \$5,000,000 because (a) the difference between
15 the amount of interest that MDG collected in the four years preceding the filing of the complaint and
16 the amount that it would have collected at a 10% interest rate is at least \$3.8 million, and (b) if the
17 Court were to issue the requested injunction, the amount of interest that MDG would be prevented
18 from collecting in only the first year after the filing of the complaint would be at least \$1.47 million.
19 The sum of those two amounts alone is around \$5.27 million, well in excess of the jurisdictional
20 threshold. When the Court adds to that amount the potential award for attorneys’ fees and costs, there
21 is no question that the amount in controversy requirement is satisfied.

22 **III. BASIS FOR REMOVAL JURISDICTION—FEDERAL QUESTION**

23 28. The Court has original jurisdiction of this action because it involves claims that arise
24 under federal law. 28 U.S.C. § 1331.

25 29. MDG may remove the action to this Court because plaintiff’s state law claims against
26 MDG are completely preempted by federal law. *See Caterpillar Inc. v. Williams*, 482 U.S. 386, 392
27 (1987).

1 30. Plaintiff's claims are subject to federal jurisdiction because they purport to challenge
2 the amount of interest charged by the 2018 Agreement, which expressly identifies CC Bank as the
3 entity providing the line of credit. *See* Compl., Exhibit 2.

4 31. State-law challenges to the amount of interest charged by a state-chartered bank, such
5 as CC Bank, arise under federal law and are completely preempted by the Federal Deposit Insurance
6 Act. *See* 12 U.S.C. § 1831; *accord Cross-Country Bank v. Klussman*, 74 F. App'x 796 (9th Cir. 2003).
7 Plaintiff cannot avoid that result by directing the complaint to MDG. *See Hawaii ex rel. Louie v. HSBC*
8 *Bank Nevada, N.A.*, 761 F.3d 1027, 1036 (9th Cir. 2014).

9 32. Thus, plaintiff's claims against MDG are completely preempted, and the Court has
10 federal question jurisdiction over this action pursuant to 28 U.S.C. § 1331.

11 **IV. REMOVAL PROCEDURE**

12 A. **Removal is Timely**

13 33. Removal of the action to this Court is timely pursuant to 28 U.S.C. § 1446(b) because
14 MDG filed the notice of removal within 30 days of plaintiff serving MDG with the summons and
15 complaint on February 25, 2022.

16 B. **Venue is Proper**

17 34. Removal to the United States District Court for the Northern District of California is
18 proper because the State Court Action is pending in the Superior Court of the State of California for
19 the County of Alameda, which is located within the jurisdiction of this District. 28 U.S.C. § 1441(a);
20 28 U.S.C. § 84(a); Civil L.R. 3-2(d).

21 C. **Divisional Assignment**

22 35. The State Court Action arises in Alameda County because plaintiff alleges that a
23 substantial part of the events or omissions which give rise to her claims occurred in Alameda County.
24 *See* Compl. ¶ 9. Thus, the State Court Action is properly assigned either to the Oakland Division or to
25 the San Francisco Division. Civil L.R. 3-2(d).

26 D. **Notice to Plaintiff and State Court**

27 36. Pursuant to 28 U.S.C. § 1446(d), MDG is filing written notice of this removal with the
28 Superior Court of the State of California for the County of Alameda concurrently with the filing of this

1 notice and will serve that notice on Plaintiff. A copy of the notice that MDG is filing in state court is
2 attached as **Exhibit B**.

3 **V. CONCLUSION**

4 For the reasons set forth above, the action is removable to this Court pursuant to 28 U.S.C.
5 §§ 1331, 1332, 1441, and 1446, and MDG removes this action from the Superior Court of the State of
6 California for the County of Alameda to the United States District Court for the Northern District of
7 California. Thus, MDG respectfully requests that the Court proceed with the action as if it had been
8 filed originally herein.

9 **K&L GATES LLP**

10
11 Dated: March 25, 2022

By: /s/ Jonathan Theonugraha

12 ANDREW C. GLASS
13 GREGORY N. BLASE
14 JEREMY M. McLAUGHLIN
15 JONATHAN THEONUGRAHA

16 Attorneys for Defendant
17 MDG USA INC.
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EXHIBIT A

**SUMMONS
(CITACION JUDICIAL)**

**NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):**

MDG USA Inc., a Delaware corporation; and DOES 1-50, inclusive

**YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):**

TYISHA DANZY, individually and on behalf of all others similarly situated

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

ELECTRONICALLY FILED
Superior Court of California
County of Alameda
02/23/2022

Chad Finke, Executive Officer / Clerk of the Court

By: C. Clark Deputy

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

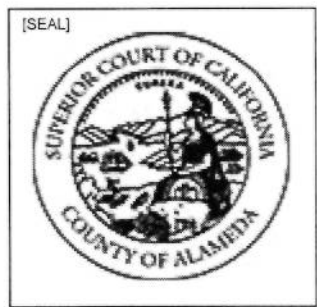
The name and address of the court is:
(El nombre y dirección de la corte es): Alameda County Superior Court
1225 Fallon Street
Oakland, CA 94612

CASE NUMBER:
(Número del Caso): **22CV007409**

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
Zach P. Dostart; James T. Hannink; DOSTART HANNINK & COVENEY LLP; 4180 La Jolla Village Dr., Suite 530,
La Jolla, CA 92037; (858) 623-4200
Chad Finke, Executive Officer / Clerk of the Court

DATE: 02/23/2022 Clerk, by C. Clark, Deputy
(Fecha) (Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).



- NOTICE TO THE PERSON SERVED:** You are served
1. as an individual defendant.
 2. as the person sued under the fictitious name of (specify):
 3. on behalf of (specify): MDG USA Inc., a Delaware corporation
 under: CCP 416.10 (corporation) CCP 416.60 (minor)
 CCP 416.20 (defunct corporation) CCP 416.70 (conservatee)
 CCP 416.40 (association or partnership) CCP 416.90 (authorized person)
 other (specify):
 4. by personal delivery on (date):

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): James T. Hannink (131747); Zach P. Dostart (255071) DOSTART HANNINK & COVENEY LLP 4180 La Jolla Village Dr., Suite 530, La Jolla, CA 92037 TELEPHONE NO.: (858) 623-4200 FAX NO. (Optional): (858) 623-4299 ATTORNEY FOR (Name): Plaintiff Tyisha Danzy	FOR COURT USE ONLY ELECTRONICALLY FILED Superior Court of California, County of Alameda 02/23/2022 at 12:32:51 PM By: Cheryl Clark, Deputy Clerk
SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA STREET ADDRESS: 1225 Fallon Street MAILING ADDRESS: CITY AND ZIP CODE: Oakland 94612 BRANCH NAME: Rene C. Davidson Courthouse	
CASE NAME: Tyisha Danzy v. MDG USA Inc.	
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000)	Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)
	CASE NUMBER: 22CV007409 JUDGE: DEPT.:

Items 1-6 below must be completed (see instructions on page 2).

1. Check **one** box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input checked="" type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

a. <input type="checkbox"/> Large number of separately represented parties	d. <input checked="" type="checkbox"/> Large number of witnesses
b. <input checked="" type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve	e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
c. <input checked="" type="checkbox"/> Substantial amount of documentary evidence	f. <input type="checkbox"/> Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply): a. monetary b. nonmonetary; declaratory or injunctive relief c. punitive

4. Number of causes of action (specify): 1) Unfair Competition

5. This case is is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)
 Date: February 22, 2022

Zach P. Dostart
 (TYPE OR PRINT NAME)


 (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

F. ADDENDUM TO CIVIL CASE COVER SHEET

Short Title: Tyisha Danzy v. MDG USA Inc.	Case Number:
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CIVIL CASE COVER SHEET ADDENDUM

THIS FORM IS REQUIRED IN ALL NEW <u>UNLIMITED</u> CIVIL CASE FILINGS IN THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA			
		<input type="checkbox"/> Hayward Hall of Justice (447)	
<input checked="" type="checkbox"/> Oakland, Rene C. Davidson Alameda County Courthouse (446)		<input type="checkbox"/> Pleasanton, Gale-Schenone Hall of Justice (448)	
Civil Case Cover Sheet Category	Civil Case Cover Sheet Case Type	Alameda County Case Type (check only one)	
Auto Tort	Auto tort (22)	<input type="checkbox"/> 34 Auto tort (G)	
		Is this an uninsured motorist case? <input type="checkbox"/> yes <input type="checkbox"/> no	
Other PI /PD / WD Tort	Asbestos (04)	<input type="checkbox"/> 75 Asbestos (D)	
	Product liability (24)	<input type="checkbox"/> 89 Product liability (<u>not</u> asbestos or toxic tort/environmental) (G)	
	Medical malpractice (45)	<input type="checkbox"/> 97 Medical malpractice (G)	
	Other PI/PD/WD tort (23)	<input type="checkbox"/> 33 Other PI/PD/WD tort (G)	
Non - PI /PD / WD Tort	Bus tort / unfair bus. practice (07)	<input checked="" type="checkbox"/> 79 Bus tort / unfair bus. practice (G)	
	Civil rights (08)	<input type="checkbox"/> 80 Civil rights (G)	
	Defamation (13)	<input type="checkbox"/> 84 Defamation (G)	
	Fraud (16)	<input type="checkbox"/> 24 Fraud (G)	
	Intellectual property (19)	<input type="checkbox"/> 87 Intellectual property (G)	
	Professional negligence (25)	<input type="checkbox"/> 59 Professional negligence - non-medical (G)	
	Other non-PI/PD/WD tort (35)	<input type="checkbox"/> 03 Other non-PI/PD/WD tort (G)	
Employment	Wrongful termination (36)	<input type="checkbox"/> 38 Wrongful termination (G)	
	Other employment (15)	<input type="checkbox"/> 85 Other employment (G)	
		<input type="checkbox"/> 53 Labor comm award confirmation	
		<input type="checkbox"/> 54 Notice of appeal - L.C.A.	
Contract	Breach contract / Wrnty (06)	<input type="checkbox"/> 04 Breach contract / Wrnty (G)	
	Collections (09)	<input type="checkbox"/> 81 Collections (G)	
	Insurance coverage (18)	<input type="checkbox"/> 86 Ins. coverage - non-complex (G)	
	Other contract (37)	<input type="checkbox"/> 98 Other contract (G)	
Real Property	Eminent domain / Inv Cdm (14)	<input type="checkbox"/> 18 Eminent domain / Inv Cdm (G)	
	Wrongful eviction (33)	<input type="checkbox"/> 17 Wrongful eviction (G)	
	Other real property (26)	<input type="checkbox"/> 36 Other real property (G)	
Unlawful Detainer	Commercial (31)	<input type="checkbox"/> 94 Unlawful Detainer - commercial	Is the deft. in possession of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Residential (32)	<input type="checkbox"/> 47 Unlawful Detainer - residential	
	Drugs (38)	<input type="checkbox"/> 21 Unlawful detainer - drugs	
Judicial Review	Asset forfeiture (05)	<input type="checkbox"/> 41 Asset forfeiture	
	Petition re: arbitration award (11)	<input type="checkbox"/> 62 Pet. re: arbitration award	
	Writ of Mandate (02)	<input type="checkbox"/> 49 Writ of mandate	
	Other judicial review (39)	<input type="checkbox"/> 64 Other judicial review	Is this a CEQA action (Publ.Res.Code section 21000 et seq) <input type="checkbox"/> Yes <input type="checkbox"/> No
Provisionally Complex	Antitrust / Trade regulation (03)	<input type="checkbox"/> 77 Antitrust / Trade regulation	
	Construction defect (10)	<input type="checkbox"/> 82 Construction defect	
	Claims involving mass tort (40)	<input type="checkbox"/> 78 Claims involving mass tort	
	Securities litigation (28)	<input type="checkbox"/> 91 Securities litigation	
	Toxic tort / Environmental (30)	<input type="checkbox"/> 93 Toxic tort / Environmental	
	Ins covrg from cmplx case type (41)	<input type="checkbox"/> 95 Ins covrg from complex case type	
Enforcement of Judgment	Enforcement of judgment (20)	<input type="checkbox"/> 19 Enforcement of judgment	
		<input type="checkbox"/> 08 Confession of judgment	
Misc Complaint	RICO (27)	<input type="checkbox"/> 90 RICO (G)	
	Partnership / Corp. governance (21)	<input type="checkbox"/> 88 Partnership / Corp. governance (G)	
	Other complaint (42)	<input type="checkbox"/> 68 All other complaints (G)	
Misc. Civil Petition	Other petition (43)	<input type="checkbox"/> 06 Change of name	
		<input type="checkbox"/> 69 Other petition	

SUPERIOR COURT OF CALIFORNIA COUNTY OF ALAMEDA	Reserved for Clerk's File Stamp FILED Superior Court of California County of Alameda 02/23/2022 Clerk of the Court / Executive Officer / Clerk of the Court By: <u><i>Cheryl Clark</i></u> Deputy C. Clark
COURTHOUSE ADDRESS: Rene C. Davidson Courthouse 1225 Fallon Street, Oakland, CA 94612	
PLAINTIFF: Tyisha Danzy, individually and on behalf of all others similarly situa	
DEFENDANT: MDG USA Inc., a Delaware corporation	
NOTICE OF CASE MANAGEMENT CONFERENCE	CASE NUMBER: 22CV007409

TO THE PLAINTIFF(S)/ATTORNEY(S) FOR PLAINTIFF(S) OF RECORD:

You are ordered to serve all named defendants and file proofs of service on those defendants with the court within 60 days of the filing of the complaint (Cal. Rules of Court, 3.110(b)).

Give notice of this conference to all other parties and file proof of service.

Your Case Management Conference has been scheduled on:

Date: 06/23/2022	Time: 8:30 AM	Dept.: 23
Location: Rene C. Davidson Courthouse Administration Building, 1221 Oak Street, Oakland, CA 94612		

TO DEFENDANT(S)/ATTORNEY(S) FOR DEFENDANT(S) OF RECORD:

The setting of the Case Management Conference does not exempt the defendant from filing a responsive pleading as required by law, you must respond as stated on the summons.

TO ALL PARTIES who have appeared before the date of the conference must:

Pursuant to California Rules of Court, 3.725, a completed Case Management Statement (Judicial Council form CM-110) must be filed and served at least 15 calendar days before the Case Management Conference. The Case Management Statement may be filed jointly by all parties/attorneys of record or individually by each party/attorney of record.

Meet and confer, in person or by telephone as required by Cal. Rules of Court, rule 3.724.

Post jury fees as required by Code of Civil Procedure section 631.

If you do not follow the orders above, the court may issue an order to show cause why you should not be sanctioned under Cal. Rules of Court, rule 2.30. Sanctions may include monetary sanctions, striking pleadings or dismissal of the action.

The judge may place a Tentative Case Management Order in your case's on-line register of actions before the conference. This order may establish a discovery schedule, set a trial date or refer the case to Alternate Dispute Resolution, such as mediation or arbitration. Check the court's eCourt Public Portal for each assigned department's procedures regarding tentative case management orders at <https://portal.alameda.courts.ca.gov>.

SUPERIOR COURT OF CALIFORNIA COUNTY OF ALAMEDA	Reserved for Clerk's File Stamp
COURTHOUSE ADDRESS: Rene C. Davidson Courthouse 1225 Fallon Street, Oakland, CA 94612	FILED Superior Court of California County of Alameda 02/23/2022
PLAINTIFF/PETITIONER: Tyisha Danzy, individually and on behalf of all others similarly situated,	Chad Finke, Executive Officer / Clerk of the Court By: <i>Cheryl Clark</i> Deputy C. Clark
DEFENDANT/RESPONDENT: MDG USA Inc., a Delaware corporation	
CERTIFICATE OF MAILING	CASE NUMBER: 22CV007409

I, the below-named Executive Officer/Clerk of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served the Notice of Case Management Conference upon each party or counsel named below by placing the document for collection and mailing so as to cause it to be deposited in the United States mail at the courthouse in Oakland, California, one copy of the original filed/entered herein in a separate sealed envelope to each address as shown below with the postage thereon fully prepaid, in accordance with standard court practices.

Dated: 02/23/2022

Chad Finke, Executive Officer / Clerk of the Court

By:

Chad Finke, Executive Officer / Clerk of the Court

Cheryl Clark

C. Clark, Deputy Clerk

CERTIFICATE OF MAILING

ELECTRONICALLY FILED

Superior Court of California,
County of Alameda

02/23/2022 at 12:32:51 PM

By: Cheryl Clark, Deputy Clerk

1 JAMES T. HANNINK (131747)
jhannink@sdlaw.com
2 ZACH P. DOSTART (255071)
zdostart@sdlaw.com
3 DOSTART HANNINK & COVENEY LLP
4180 La Jolla Village Drive, Suite 530
4 La Jolla, California 92037-1474
Tel: 858-623-4200
5 Fax: 858-623-4299

6 Attorneys for Plaintiff

7

8

SUPERIOR COURT OF THE STATE OF CALIFORNIA

9

COUNTY OF ALAMEDA

10

11 TYISHA DANZY,
individually and on behalf of all others
12 similarly situated,

13 Plaintiff,

14 vs.

15 MDG USA Inc., a Delaware corporation;
and DOES 1-50, inclusive,

16 Defendants.
17

CASE NO. **22CV007409**

CLASS ACTION

COMPLAINT FOR:

VIOLATION OF THE UNFAIR
COMPETITION LAW
[Bus. & Prof. Code, § 17200 et seq.]

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1 **INTRODUCTION**

2 1. This class action lawsuit alleges that defendant MDG USA Inc. (“MDG”) charges
3 illegal interest rates on loans to California consumers.

4 2. MDG operates a website, secure.mdg.com, through which it offers for sale a variety
5 of consumer goods such as televisions, computers, gaming devices, furniture, and household
6 appliances. Along with the merchandise, MDG presents itself as offering a way for consumers to
7 obtain such merchandise even if they lack the ability to pay upfront with cash or a credit card.

8 3. When consumers purchase merchandise from the MDG website, with credit obtained
9 through MDG, the annual interest rate is set at or above 35%, whereas the maximum interest rate
10 that MDG is allowed to charge under California law is 10%.

11 4. This action seeks a public injunction for the benefit of the general public of the State
12 of California, to enjoin MDG from advertising, making, or servicing loans in California that do not
13 comply with California’s interest rate limitations.

14 5. This action also seeks monetary restitution for plaintiff Tyisha Danzy and other
15 California consumers to whom MDG has charged interest exceeding the amount allowed by law.

16 **THE PARTIES**

17 6. Plaintiff Tyisha Danzy (“Plaintiff”) is an individual residing in Alameda County,
18 California.

19 7. Plaintiff is informed and believes and thereon alleges that defendant MDG USA Inc.
20 (“MDG”) is a Delaware corporation that does business in Alameda County, including the
21 advertising, making, and servicing of loans in connection with the sale of merchandise.

22 8. Plaintiff does not know the names of the defendants sued as DOES 1 through 50 but
23 will amend this complaint when that information becomes known. Plaintiff alleges on information
24 and belief that each of the DOE defendants is affiliated with MDG in some respect and is in some
25 manner responsible for the wrongdoing alleged herein, either as a direct participant, or as the
26 principal, agent, successor, alter ego, or co-conspirator of or with one or more of the other
27 defendants. This Complaint refers to MDG and the DOE defendants collectively as “Defendants.”
28

1 9. Venue is proper in this judicial district because Plaintiff resides in Alameda County
2 and Plaintiff's transactions described herein were entered into in Alameda County.

3 **BACKGROUND**

4 10. MDG does not hold a license to make consumer or commercial loans in California.
5 Accordingly, MDG is subject to the interest rate limitations set forth in Article XV, Sections 1(1)
6 and 1(2), of the California Constitution.

7 11. Pursuant to Article XV, Section 1(1) of the California Constitution, for any loan or
8 forbearance of money for use primarily for personal, family, or household purposes, the maximum
9 rate of interest is ten percent (10%) per annum.

10 12. Pursuant to Article XV, Section 1(2) of the California Constitution, for any loan or
11 forbearance of money for any use other than primarily for personal, family, or household purposes,
12 the maximum rate of interest is the higher of (a) ten percent (10%) per annum or (b) five percent
13 (5%) per annum plus the federal funds rate prevailing on the 25th day of the month preceding the
14 earlier of (i) the date of execution of the contract for the loan, or (ii) the date of making the loan.
15 During the four years preceding the filing of this Complaint, the federal funds rate has never
16 exceeded 2.45%, and for the past two years, the federal funds rate has been near zero. (See
17 <https://fred.stlouisfed.org/series/FEDFUNDS#0> [last accessed Feb. 22, 2022].) Accordingly,
18 during the four years preceding the filing of this Complaint, the maximum rate of interest permitted
19 pursuant to Article XV, Section 1(2), has never exceeded 7.45%.

20 13. Notwithstanding those interest rate limitations, when California consumers purchase
21 merchandise from the MDG website with credit obtained through MDG, the annual interest rate is
22 set at 35% or more. Obviously, that exceeds the maximum interest rates allowed under Article XV,
23 Sections 1(1) and 1(2) of the California Constitution.

24 14. MDG is apparently trying to circumvent the interest rate limitations imposed by
25 California law by entering into an arrangement with a state-chartered bank in Utah, Capital
26 Community Bank ("CC Bank"). Under this "rent-a-bank" arrangement, the loans that MDG offers
27 and makes to California consumers are—*on paper*—purportedly "issued" by the Utah bank. In fact,
28 however, MDG itself markets the loans, underwrites the loans, originates the loans, services the

1 loans (including billing and collection of payments), and contacts borrowers who miss payments.
2 MDG's website states that MDG "offers the very best *end-to-end service*." (See
3 <https://secure.mdg.com/HowToFinance.aspx?>) [last accessed Feb. 22, 2022] (italics added).)
4 Further, as described on MDG's website, consumers obtain loans and purchase merchandise by
5 completing "3 easy steps," all conducted through the MDG website: 1) filling out the application;
6 2) getting pre-qualified; and 3) shopping online and checking out. On the other hand, CC Bank has
7 virtually no involvement in the loans other than the fact that its name is used on the loan documents.
8 Indeed, on its own website, CC Bank describes itself as a "community-focused financial institution,
9 serving the banking needs of *Utah residents*["] (See <https://ccbantutah.com/about/overview> [last
10 accessed Feb. 22, 2022] (emphasis added).) MDG has the predominant economic interest in the
11 loans and therefore MDG is the true or *de facto* lender for loans made to California consumers.
12 MDG's "rent-a-bank" scheme is ineffective to circumvent the interest-rate restrictions of California
13 law. (See, e.g., *Consumer Fin. Prot. Bureau v. CashCall, Inc.*, No. CV 15-7522-JFW (RAOx) (C.D.
14 Cal. Aug. 31, 2016) 2016 U.S. Dist. LEXIS 130584, at *15-20) [identification of the true lender is
15 based on the substance of the transaction, not the form]; *People v. Miami Nation Enters.* (2016) 2
16 Cal. 5th 222, 252-256 [lender that was formally affiliated with Indian tribe, but functionally
17 controlled by non-tribal persons and entities, not entitled to sovereign immunity and therefore
18 subject to California law].)

19 PLAINTIFF'S TRANSACTIONS

20 15. Plaintiff's transactions with MDG are illustrative of loans that MDG has made to
21 California consumers that exceed the interest rate limitations of California law.

22 16. On November 2, 2015, Plaintiff completed an online application through MDG's
23 website and was approved for credit. A true and correct copy of Plaintiff's agreement dated
24 November 2, 2015, is attached hereto as Exhibit 1 (with personal information redacted) (the "2015
25 Agreement"). As stated in the 2015 Agreement, MDG set Plaintiff's interest rate at an Annual
26 Percentage Rate ("APR") of 40.00%. The 2015 Agreement does not make any mention of CC Bank.
27 Plaintiff's 2015 Agreement was on a pre-printed form contract. The terms of the 2015 Agreement
28 were dictated by MDG, and Plaintiff had no opportunity for negotiation or modification. On

1 information and belief, except for the transaction-specific information reflected in the 2015
2 Agreement (e.g., Plaintiff's personal contact information), the other provisions of that Agreement
3 are boilerplate terms that MDG included in all of its agreements with California consumers in or
4 around 2015.

5 17. On March 17, 2018, Plaintiff completed an online application through MDG's
6 website and was approved for credit. A true and correct copy of Plaintiff's agreement dated March
7 17, 2018, is attached hereto as Exhibit 2 (with personal information redacted) (the "2018
8 Agreement"). As stated in the 2018 Agreement, MDG set Plaintiff's interest rate at an APR of
9 35.95%. The form and content of the 2018 Agreement is substantially similar to the 2015 Agreement
10 in many respects, even though the 2018 Agreement includes the corporate logos of both MDG and
11 CC Bank, and it purports to identify CC Bank as the entity providing the loan. Plaintiff alleges that
12 CC Bank is identified in the 2018 Agreement pursuant to the "rent-a-bank" arrangement between
13 MDG and CC Bank described above in paragraph 14, and that at all times relevant to this Complaint,
14 MDG had and continues to have the predominant economic interest in the loans and therefore MDG
15 is the true or *de facto* lender for the loans made to Plaintiff and other California consumers. Plaintiff
16 utilized her credit in 2018 to purchase electronic items, for which Plaintiff subsequently paid interest
17 at the rate of 35.95%. Plaintiff's 2018 Agreement is a pre-printed form contract. The terms of the
18 2018 Agreement were dictated by MDG, and Plaintiff had no opportunity for negotiation or
19 modification. On information and belief, except for the transaction-specific information reflected in
20 the 2018 Agreement (e.g., Plaintiff's personal contact information), the other provisions of that
21 Agreement are boilerplate terms that MDG included in all of its agreements with California
22 consumers in or around 2018.

23 18. On January 25, 2022, Plaintiff purchased electronic items through MDG's website,
24 utilizing the revolving credit amount previously authorized by MDG. A true and correct copy of
25 Plaintiff's Order Summary dated January 25, 2022 is attached hereto as Exhibit 3 (with personal
26 information redacted) (the "2022 Order Summary"). The 2022 Order Summary recites that, because
27 Plaintiff is a current customer of MDG, the Terms & Conditions in her previous contract apply. As
28 previously noted, MDG is charging Plaintiff an interest rate of 35.95%.

1 **ALLEGATIONS REGARDING PUBLIC INTEREST**

2 19. As explained by the California Supreme Court, injunctive relief under the UCL has
3 “the primary purpose and effect” of prohibiting unlawful acts that threaten future injury to the
4 general public. (*McGill v. Citibank, N.A.* (2017) 2 Cal. 5th 945, 955.) Public injunctive relief can be
5 sought by any private individual who has suffered injury in fact and has lost money or property as
6 a result of the unfair business practice. (*Id.* at p. 959.) In this action, Plaintiff seeks a public
7 injunction to stop MDG from advertising, making, and/or servicing loans in California that carry an
8 unlawful interest rate pricing structure, thereby enjoining future violations of California law.

9 20. The MDG business practices alleged herein threaten future injury to the general
10 public of the State of California. MDG directs its marketing activities for its illegally-priced loans
11 to low-income California residents, many of whom do not have the cash or other credit resources to
12 purchase the consumer goods outright and who are vulnerable to exploitation. High interest rate
13 loans trap many low-income consumers in cycles of debt, which in turn can increase the borrowers’
14 reliance on taxpayer-funded government services. MDG’s unlawful loan pricing structure alleged
15 herein is injurious to the general public, and warrants public injunctive relief.

16 21. Additionally, when unlicensed lenders such as MDG charge illegal interest rates, it
17 harms the governmental interest in regulating financial institutions that do comply with California’s
18 interest rate and lending laws. Licensing by the California Department of Financial Protection and
19 Innovation (formerly the California Department of Business Oversight) carries with it requirements
20 regarding net worth and surety bonds (among others), and subjects the business to audits and
21 investigations. And, of course, licensed lenders must comply with California law or be subject to
22 losing their license. In contrast, MDG makes loans to California consumers while disregarding
23 California law regarding interest-rate limitations.

24 **CLASS ACTION ALLEGATIONS**

25 22. Pursuant to Code of Civil Procedure § 382, Plaintiff seeks restitution on behalf of the
26 following Class: “All individuals in California who, within the four years preceding the filing of
27 this Complaint, paid interest on a loan obtained from or marketed, underwritten, or serviced by
28 MDG. Excluded from the Class are all employees of Defendants, all employees of Plaintiff’s

1 counsel, and the judicial officers to whom this action is assigned.”

2 23. Numerosity. Plaintiff alleges on information and belief that the Class comprises at
3 least 100 individuals.

4 24. Ascertainability. The Class is ascertainable. The members of the Class may be
5 ascertained from MDG’s business records.

6 25. Common Questions of Fact or Law. The claim for restitution is suitable for class
7 treatment because questions of law and fact have common answers that are the same for the Class,
8 and those questions predominate over questions affecting only individual Class members. These
9 include, but are not limited to: (i) whether MDG is the true lender on Plaintiff’s and Class members’
10 loans; and (ii) whether MDG’s loans to California consumers carried interest rates that exceeded the
11 maximum allowed by California law.

12 26. Typicality and Adequacy. Plaintiff’s claim for restitution is typical of the claims of
13 other Class members. Plaintiff will fairly and adequately represent and protect the interests of the
14 Class. Plaintiff has no interests that are adverse to the Class members.

15 27. Superiority. A class action is superior to other available methods for fairly and
16 efficiently adjudicating the issues. Class certification will not present any significant management
17 difficulties. Class certification would also conserve judicial resources and avoid the possibility of
18 inconsistent judgments. The expense and burden of individual litigation would make it difficult or
19 impossible for individual Class members to redress the wrongs done to them without a class action.

20 **FIRST CAUSE OF ACTION**

21 Unfair Competition

22 (Bus. & Prof. Code, § 17200 et seq.)

23 28. Plaintiff incorporates the preceding paragraphs as though fully set forth herein.

24 29. By advertising, making, and/or servicing loans in California that carry interest rates
25 exceeding the maximum rate allowed by California law, Defendants have engaged in unlawful
26 and/or unfair business acts or practices, in violation of Bus. & Prof. Code § 17200.

27 30. Plaintiff has suffered injury in fact and lost money as a result of Defendants’ acts of
28 unfair competition.

1 31. Pursuant to Bus. & Prof. Code § 17203, Plaintiff seeks a public injunction enjoining
2 Defendants from advertising, making, and/or servicing loans in the State of California that carry an
3 interest rate that exceeds the maximum rate allowed by California law.


4 32. Pursuant to Bus. & Prof. Code § 17203, on behalf of herself and all Class members,
5 Plaintiff seeks restitution of all interest paid in excess of the amount authorized under California
6 law.

7 **PRAYER**

8 WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

- 9 1. For a public injunction, for the benefit of the general public;
- 10 2. For restitution, in favor of Plaintiff and all Class members;
- 11 3. For pre-judgment interest;
- 12 4. For reasonable attorneys' fees, pursuant to Cal. Code Civ. Proc. § 1021.5;
- 13 5. For costs of suit; and
- 14 6. For such other relief as the Court deems proper.

15 DATED: February 22, 2022 DOSTART HANNINK & COVENEY LLP

16
17 
18 ZACH P. DOSTART
19 Attorneys for Plaintiff

20 969481.6

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Exhibit 1



REDACTED

TYISHA DANZY

ID #

2015-11-02

CONGRATULATIONS!
YOU ARE CONDITIONALLY
APPROVED!

Dear **TYISHA**,

We would like to thank you on becoming an MDG USA Inc. Customer.

Over 2 million customers in North America have experienced our superior MDG service, providing reliable Desktop PCs, Laptops, and High Definition TVs since 1991.

To receive your order, please review the following pages and complete these easy steps:

Step 1 - Please carefully read all documents including privacy statement, loan disclosure, agreement and all other documents provided and sign where required.

Step 2 - E-Sign this document and contact your sales representative to complete your order by providing the remaining requisite documents.

You may fax us at **1-855-802-8129** or email your sales representative @ **stefant@mdghq.com**

Once we receive all of your paperwork, an MDG USA Inc. representative will contact you to verify any last minute details and advise you of when you can expect your order.

It's that simple! It's never been easier to buy.

Sincerely,

Stefan T
MDG USA Inc. Inside Sales Specialist

Track the status of your order at any time: **www.mdg.com/Track?ID=1252638**

Follow MDG on Facebook: **www.facebook.com/mdg**

Exhibit I
Page 1

MDG USA Inc. Privacy Policy

Rev. 11/25/2014

FACTS **WHAT DOES MDG USA, Inc. DO WITH YOUR PERSONAL INFORMATION?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- Account balances and payment history
- Purchase history
- Transaction history

When you are *no longer* our customer, we continue to share your information as described in this notice.

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons MDG USA, Inc. chooses to share; and whether you can limit this sharing.

Reasons financial companies can share your personal information	Does MDG USA, Inc. share your personal information for this reason?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes - to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes - information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes - information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share

Call 1-800-906-0975

Who is providing this notice?	MDG USA, Inc.
How does MDG USA, Inc. protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does MDG USA Inc. collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ Open an account or apply for financing ■ give us your contact information or pay us by check ■ give us your income information <p>We also collect your personal information from credit bureaus.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes - information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>MDG USA Inc.'s only affiliate is MDG Computers Canada Inc.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial or nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>MDG USA, Inc. does not share with nonaffiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>MDG USA, Inc. does not jointly market.</i>

**REVOLVING CREDIT AGREEMENT, SECURITY AGREEMENT AND DISCLOSURE STATEMENT
TRUTH IN LENDING DISCLOSURE**

Interest Rate and Interest Charges	
APR for Purchase	<u>40.00%</u>
Penalty APR and When It Applies	<p align="center">49.00 % *</p> <p>This APR will be applied to your account if you make more than two late payments in three months.</p> <p>How Long Will the Penalty Rate Apply? If your APR is increased due to a late payment, the Penalty APR will apply until you make six consecutive minimum payments when due.</p>
Minimum Interest Charge**	If you are charged interest, the charge will be no less than \$0.50.
Paying Interest	You will be charged interest from the transaction date.***
Fees	
Annual Fee	\$0.00
Penalty Fees	<ul style="list-style-type: none"> • Late Payment Up to \$15.00 • Returned Payment Up to \$15.00

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

If this box is checked, the APR for Purchases stated above is reduced by .25% from our standard APR because you have agreed to make automatic payments from your bank account to repay your obligations under this Agreement.

* The Penalty APR equals the standard Purchase APR plus 9%.

** **Minimum Interest Charges:** The minimum interest charge in Washington is \$1.00; is \$0.70 in New York; \$0.50 in Indiana, Iowa and Pennsylvania; and \$1.50 in all other states.

*** The "transaction date" is the date we ship your order to you. We will not ship your order until all required downpayments (if any) have been received by us.

1. GENERAL: This Revolving Credit Agreement and Disclosure Statement (the "Agreement") governs the terms of your revolving credit account with us (your "Account"). Please read this Agreement carefully and keep a copy for your records. In this Agreement, the terms "we," "us," and "our" refer to MDG USA, Inc. located at 3422 Old Capitol Trail, # 1993. Wilmington, DE 19808; the terms "you," "your," and "Buyer" refer to the customer signing below.

If your credit application is approved and we open an Account for you, you may purchase household goods and services on credit from us. All purchases to be charged to your Account must be made with the Order Summary, and you agree that all such sales are subject to the terms of this Agreement.

2. USE OF MDG ACCOUNT: By using your MDG Account, you promise that all purchases made under this Agreement will be solely for your personal, family or household purposes and not for business purposes.

3. PROMISE TO PAY: You agree to pay for all purchases made on your Account, interest charges, and other applicable charges or fees under this Agreement incurred by you or anyone you authorize or permit to use your Account. If this Account is a joint account, each joint account holder agrees to pay, and all account holders are jointly and severally responsible for, all amounts owed on the Account, and we may require any one of you to pay the full amount owed without first asking the other joint account holder(s) to pay. If your Account is referred for collection to an attorney who is not our salaried employee, you agree to pay reasonable attorney fees and reasonable collection costs to the extent allowed by law in your state.

4. DOWNPAYMENTS: If you are required to make one or more downpayments, we will not ship your order until we have received all required downpayments. If you cancel your order, we will refund any down payments you have made. We treat that shipment day as the "transaction date" for purposes of calculating your interest charges and other payment obligations. If you are required to make more than one downpayment and the item or items you have ordered are no longer available or are on back-order, we will contact you to find out whether you want to cancel your order, accept a substitute, or wait until any back-ordered item is available.

You may cancel your order at any time until you have made all down payments. After you have made all down payments, you may not cancel your order except as provided above.

Exhibit 1
Page 4

5. PAYMENT INSTRUCTIONS: All payments, except disputed payments, must be mailed or delivered to us at the address shown on your periodic billing statement, unless automatic payment arrangements have been made. All mailed payments must be made by check or money order. Do not send cash. Cash or other nonconforming methods of payment may be rejected. We may accept partial or late payments or checks marked "payment in full" or other restrictive endorsement without losing our right to receive the full amount owed. Your billing statement will include requirements for you to follow in making payments. You may pay your outstanding balance in full at any time without penalty.

If you have agreed to automatic payments being made from your bank account, then you need not mail payments so long as the automatic payments are in fact made. If you have arranged for your payments to be made by automatic payments and your payment due date falls on a day that is not a business day, then your payment will be due on the next business day.

6. MINIMUM PAYMENTS AND APPLICATION OF PAYMENTS: (A) You agree to pay us at least the Minimum Payment Due reflected on your billing statement. We calculate your bi-weekly Minimum Payment Due based on your Account balance as outlined in the Payment Chart below. For a monthly Minimum Payment Due, it equates to the bi-weekly Minimum Payment amount multiplied by 26 and divided by 12. You may pay more than the Minimum Payment Due and you may make your payment before the Payment Due Date shown on your billing statement.

Payment Chart		
Account Balance (\$)		Biweekly Payment (\$)
From	To	
0	499.99	\$13.99
500	999.99	2.99%
1000	1159.99	\$29.90
1160	1499.99	2.59%
1500	1699.99	\$38.85
1700+		2.30%

(B) Except where otherwise required by the state law(s) applicable to your Account, we first apply the payment(s) you make on a purchase, to the unpaid interest charges on that purchase. Next, we apply the payment to the purchase amount or principal. After we have applied your payment to the unpaid interest charges and purchase amount, we apply your payment toward late fees, returned check fees and any other fees charged to your Account. Any downpayments you are required to make for any purchase will be applied to that purchase only.

7. CREDIT LIMIT AND AVAILABLE CREDIT: We will establish a Credit Limit for your Account when we establish the Account, and we will inform you of the amount of that Credit Limit when you open your Account. We may increase or decrease your Credit Limit at any time, at our sole discretion, except as limited by law, and we will inform you of any changes to your Credit Limit as required by law. The "Available Credit" on your Account usually will be your Credit Limit reduced by the outstanding and unpaid balance of our Account from time to time. However, we may reduce your Available Credit temporarily or permanently at our discretion at any time, except as limited by law. If we do reduce your Available Credit, we will inform you of such as required by law. You agree that you will not at any time charge purchases to your Account if it would cause you to exceed your Credit Limit or Available Credit, or if your Account is already in excess of its Credit Limit or Available Credit, or if your Account is in default. We are never required to allow you to exceed your Credit Limit or Available Credit but, if we in any instance do allow you to exceed your Credit Limit or Available Credit, we will not be required to do so again in the future and you are always required to repay the full amount of your Account, including any amounts in excess of your Credit Limit or Available Credit.

8. PREPAYMENT: You may pay all of your Account balance at any time without penalty. If you do not pay the entire balance in full, you must make a minimum payment each period by the payment due date that appears on your billing statement.

9. HOW WE DETERMINE YOUR BALANCE: The total outstanding balance (the amount you owe us) appears as the "New Balance" on your billing statement. To determine the New Balance, we begin with the outstanding balance on your Account at the beginning of each billing cycle, called the "Previous Balance" on your billing statement. We add in any new purchases and other charges posted to your Account since the end of the previous billing cycle and subtract any payments and credits we received. We then add the appropriate Finance Charges and fees, and make other applicable adjustments.

10. FINANCE CHARGES; NO GRACE PERIOD: We will begin charging interest on each purchase on the transaction date. The "transaction date" is the date we ship your order to you. Interest will accrue on the transaction until it is paid in full. There is no period within which you may repay advances for purchases to avoid a Finance Charge. Finance Charges accumulate each day until the exact current payoff amount is received and posted to your Account. The exact current payoff as of any day is the aggregate of all unpaid purchases, plus all accrued and unpaid Finance Charges, plus other amounts due hereunder, if any.

11. CALCULATION OF INTEREST CHARGES - AVERAGE DAILY BALANCE METHOD (INCLUDING CURRENT TRANSACTIONS): We figure the interest charge on your Account by applying the periodic rate to the "average daily balance" of your Account. To get the "average daily balance" we take the beginning balance of your Account each day, add any new purchases, and subtract any payments or credits. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance." **This method of calculating the average daily balance results in charging interest on unpaid interest (also known as compounding) and fees.** Notwithstanding the above, we do not begin charging interest on your purchases until the day we ship your purchase to you (the transaction date). If a law that applies to your Account and which sets maximum interest rates, is finally interpreted by a court having jurisdiction so that the interest or other charges collected or to be collected in connection with this Agreement exceed the permitted limit, then: (a) the interest and/or other charges payable hereunder will be reduced by the amount necessary to reduce them to the permitted limit, and (b) any sums already collected that exceed the permitted limit will be refunded to you. We may choose to make this refund by reducing the principal you owe under this Agreement or by making a direct payment to you.

A minimum interest charge of \$1.50 (\$1.00 in Delaware and Washington; 70 cents in NY, and 50 cents in Iowa and Pennsylvania) is added to your Account in any billing cycle that your Account is subject to an interest charge, except in states where prohibited by law.

12. PENALTY ANNUAL PERCENTAGE RATE: If you fail to make a Minimum Payment by its due date on more than two (2) occasions in three (3) months, we will increase the ANNUAL PERCENTAGE RATE on your Account to the amount disclosed in the Truth in Lending Disclosure provided above. Our right to charge the Penalty APR applies in addition to our other remedies under this Agreement. The Penalty APR will apply until you make six consecutive minimum payments when due.

13. LATE FEE: If your payment is more than 35 days late, you will be charged a late fee equal to \$15.00. The late fee is added to your Account balance, but interest is not charged on the late fee portion of your balance. We do not charge a late fee if your downpayment is late, but we may cancel your order if any required downpayment is late. See Paragraph 24, below.

14. RETURNED PAYMENT FEE: If any check is returned nonpayable or insufficient funds by your bank, you agree to pay a Returned Check Fee in the amount of \$15. If required by your state, you will receive a notice and right to cure, and no charges will be added if you cure within the time indicated on your notice. We are not required to present the check more than once to your bank for payment. This fee will be added to your Account balance, but interest will not be charged on the returned check fee portion of your balance.

15. BILLING STATEMENT: We will mail or email you a statement for each period that you have any unpaid Account balance or during which any interest or other Finance Charges were imposed. We will mail or email that statement to you at the address or email address we have in our records at least 14 days before the next payment is due on your Account. This statement will show, among other things, all transactions on your Account for the period, late charges, insufficient check charges, previous balance, the balance on which Finance Charges are computed and how that balance was determined, your new balance, Finance Charges, the periodic rate and corresponding ANNUAL PERCENTAGE RATE used to compute your Finance Charges, payments received, credits, minimum payment due, and payment due date.

16. ELECTRONIC FUND TRANSFER: When you provide a check, you authorize us either to use information from your check to make a one-time electronic fund transfer from your checking account or to process the transaction as a check. When we use your check to make an electronic fund transfer, funds may be withdrawn from your checking account as soon as the same day we receive your payment, and you may not receive your check back from your financial institution. If there are insufficient funds in your checking account you authorize us to charge a Returned Check Fee as indicated above.

17. DEFAULT: You are in "Default" if: (a) you fail to make a required payment when due on two occasions in any 12 month period; or (b) you fail to observe or perform any of the other covenants or duties contained in this Agreement. If you fail to cure within the time allowed in your notice or within 30 days if you live in a state with no notice requirement, we will accelerate your balance and the full Account balance will be immediately due and payable by you. Iowa residents will receive a Notice of Right to Cure.

18. ADDITIONAL REMEDIES: Without limiting any other provision of this agreement, if you are in Default we may do one or more of the following at any time(s) chosen by us, in our sole discretion: (a) we may commence proceedings to collect amounts that you owe to us; and/or (b) we may exercise any other rights or remedies we may have at law, in equity, or under this Agreement. To the extent allowed by law, you agree to pay our reasonable costs and legal expenses that that we may incur to recover any amounts you may owe us, and all expenses that we may incur if we seize and dispose of any MDG USA Inc. product(s) in which we have a security interest. Except in California or where otherwise prohibited by law, if we repossess the product(s), you will pay us any amount you still owe us after we have sold the property. We may accept payments after maturity or after a Default without waiving our rights with respect to any subsequent default in payment. Subject to applicable law, our rights and remedies under this Agreement are cumulative and not alternative and may be enforced either successfully or concurrently.

19. YOUR OBLIGATIONS TO PROVIDE ADDITIONAL INFORMATION: At any time while your Account is open, we may require that you provide to us, and you agree to provide, updated financial and/or other information concerning you, including, without limitation, recent bank statements or tax information.

20. CREDIT VERIFICATION AND CONSUMER REPORTS: You authorize us to obtain credit and employment information about you by any means and at various times. We may obtain credit and employment information by any means, including obtaining information from check or credit-reporting agencies and/or from other sources. You also agree that we may obtain consumer reports (credit reports) for any reason on any of you from time to time in the future when updating, renewing, or extending your Account. We may do so at the time you open your Account, at any time while your Account is open, or after your Account is closed, if you owe us any amount related to your Account. Depending on your individual circumstances, it is possible that your credit score will be impacted when we access your credit file. Upon your request, we will tell you whether we obtained a consumer report (credit report) and the name and address of any consumer-reporting agency that provided such reports.

21. FURNISHING INFORMATION TO CONSUMER-REPORTING AGENCIES: We may report information about your Account to credit bureaus. Late payments, missed payments, or other defaults on your Account may be reflected in your credit report. If you believe that we have furnished any inaccurate information relating to your Account to any consumer-reporting agency, you may notify us by phone at 1-800-906-0975 or by mail at 3422 Old Capitol Trail, # 1993, Wilmington, DE 19808. To help us respond to your notification, include your Account number, Social Security Number, the name of the consumer-reporting agency reflecting the inaccurate information, and an explanation of why you believe the information is inaccurate. You understand that you may also contact the consumer-reporting agency directly at TransUnion Consumer Solutions P.O. Box 2000, Chester, PA 19022-2000, 1-800-916-8800. **California residents: As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.**

22. ACCOUNT ADJUSTMENTS: We may make adjustments to your Account from time to time to reflect corrections or changes to your balance. Adjustments might occur, for example, if deposits are posted for the wrong amount, or to the wrong account, or if items are returned unpaid. In the event of an error that has caused an overstated balance, you agree to reimburse the overstated amount.

23. CHANGE IN TERMS: We may change the terms of this Agreement, as permitted by law, at any time. Any changes in the rates and other terms may apply both to new purchases and to the outstanding balance on your Account, except as limited by law. You will be notified of changes in accordance with applicable state and federal law.

24. ORDER CANCELLATION: We may cancel your order for our products if any downpayment you make by check or electronic means is returned unpaid before we have shipped the product(s), if any information you provide to us in your application is inaccurate, or if in our sole discretion we determine that we are exposed to risk of fraud.

25. ACCOUNT CANCELLATION: We may cancel your Account at any time for any reason subject to the requirements of applicable law. Outstanding balances continue to accrue Finance Charges until paid in full, and remain subject to all terms and conditions of this Agreement. You may cancel your Account by writing to us at 3422 Old Capitol Trail, # 1993, Wilmington, DE 19808. Your notice is effective on receipt. If you cancel your Account, you are still responsible for all amounts owed pursuant to the terms of this Agreement and you must pay everything you owe as required by the Agreement, including any amounts not yet billed to you.

26. TELEPHONE MONITORING, RECORDING AND CALLS: We treat every customer call confidentially. To assure that you receive the best possible customer service, and that our employees are complying with our policies and all applicable laws, your calls with us may be monitored and/or recorded. You agree that you have an established business relationship with us, that all of our contacts with you are not unsolicited, and that we may contact you from time to time regarding your Account (including for collections purposes) and products and services that we believe may be of interest to you. You further agree that all of our contacts with you may be made with an automated dialing and announcing or similar device and/or an artificial voice or prerecorded message to the extent permitted by law. You also agree that we may contact you at any telephone number you provide to us, whether a residential number or a wireless, cellular or mobile number.

27. ASSIGNMENT: This Agreement is not effective until your application has been approved by us. We have the right to assign any or all of our rights under this Agreement to any assignee of our choosing. You may not assign this Agreement or any rights under this Agreement and any attempt to make such an assignment will be null and void. This Agreement legally binds the parties and their respective heirs, representatives, executors, administrators, successors and assigns.

28. SEVERABILITY: If any provision of this Agreement is deemed void or unenforceable under any law, rule, or regulation, all other provisions remain in effect and enforceable.

29. NON-WAIVER: We do not lose any of our rights under this Agreement if we delay taking action for any reasons.

30. REPRESENTATION: You swear that all the information you supplied on your credit application and all the information on each revolving credit sales slip is and will be true, correct, and accurate. Any false, incorrect, or misleading information your knowingly supply is a deliberate misrepresentation.

31. NO FURTHER TRANSACTIONS IF ACCOUNT IS CLOSED: If either you or we close your Account you may not make further Purchases. However, you will remain responsible and must pay for all credit owed to us (extended to you or arising from use of your Account prior to or subsequent to cancellation).

32. FORCE MAJEURE: Unless otherwise required by applicable law, we are not responsible and will not incur liability to you for any failure, error, malfunction or any delay in carrying out obligations under this Agreement if such failure, error or delay results from causes that are beyond our reasonable control (including, but not limited to inclement weather, fire, flood, acts of war or terrorism, and earthquakes).

33. ARBITRATION OF DISPUTES: Any claim, dispute, or controversy ("Claim") by either you or us against the other, or against the employees, agents, or assigns of the other, arising from or relating in any way to this Agreement, including Claims regarding the applicability of this arbitration provision or the enforceability of any part of this Agreement, shall be resolved by binding arbitration by the National Arbitration Forum (NAF) in accordance with NAF procedures in effect when the Claim is filed. For a copy of NAF's procedures, or to file a Claim, or for other information, contact NAF at any NAF office, at www.arbforum.com, or at P.O. Box 50191, Minneapolis, Minnesota 55405, 1.800.474.2371. We will not invoke our right to arbitrate any individual Claim you choose to bring to small claims court or your state's equivalent court, if any, so long as the Claim is pending only in that court and does not exceed \$5,000.

Your Agreement involves interstate commerce, and this arbitration agreement shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (the "FAA"). Any arbitration hearing at which you appear will take place in the federal judicial district in which you reside. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, shall honor applicable statutes of limitations, and shall honor Claims of privilege recognized as law. If requested by any party, the arbitrator shall write an opinion containing the reasons for the award. The arbitrator's decision will be final and binding except for any appeal rights under the FAA, or if the amount in controversy exceeds \$100,000. Any party may appeal the award within 30 days to a three-arbitrator panel, which shall review the award de novo. The costs of such an appeal shall be borne by the appealing party regardless of the outcome. Judgment upon any award by the arbitrator may be enforced in any court having jurisdiction.

Nothing in this Agreement shall be construed to prevent any party's use of (or advancement of any Claims, defenses, or offsets in) bankruptcy or repossession, replevin, judicial foreclosure, or any other prejudgment or provisional remedy relating to any collateral, security, or property interests for contractual debts now or hereafter owed by either party to the other under this Agreement. This arbitration provision applies to all Claims now in existence or that may arise in the future. This arbitration provision shall survive termination of the Agreement as well as voluntary payment in full by you, any legal proceedings by us to collect a debt owed by you, any bankruptcy by you, and any sale by us of your line of credit.

IN THE ABSENCE OF THIS ARBITRATION PROVISION, YOU AND WE MAY OTHERWISE HAVE HAD A RIGHT OR OPPORTUNITY TO LITIGATE CLAIMS THROUGH A COURT AND TO HAVE A JURY TRIAL, AND/OR TO PARTICIPATE OR BE REPRESENTED IN LITIGATION FILED IN COURT BY OTHERS. HOWEVER, EXCEPT AS OTHERWISE PROVIDED ABOVE, THIS ARBITRATION PROVISION REQUIRES THAT ALL CLAIMS BE RESOLVED THROUGH ARBITRATION. APPLICABLE ARBITRATION RULES MAY LIMIT PRE-HEARING DISCOVERY RIGHTS AND POST-HEARING APPEAL RIGHTS. NEITHER YOU NOR WE SHALL BE ENTITLED TO JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION BY OR AGAINST OTHER BORROWERS WITH RESPECT TO OTHER LOANS OR LINE OF CREDIT, OR ARBITRATE ANY CLAIMS AS REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.

34. SECURITY AGREEMENT: You grant us a purchase money security interest under the Uniform Commercial Code in each household good purchased on your Account to the full extent permitted by law. We will take a security interest in New York only for products purchased with a purchase price of at least \$200.

Arizona residents - You must give us notice of your claim or defense in writing by certified mail within 90 days of receiving any goods or you may waive the right to set-offs or defense against assignee if assignee provides you a notice of your rights and you fail to exercise those rights pursuant to the terms of the notice. **Anuncio: Residentes de Arizona pueden pedir que los declaraciones iniciales ordenados en el Truth in Lending Act (15 United States Code §§ 1601 through 1666j) sean traducidos en español antes de firmar cualquier formulario de préstamo.**

WASHINGTON RESIDENTS: YOU MAY CANCEL ANY PURCHASES MADE UNDER THIS AGREEMENT IF THE SELLER OR HIS REPRESENTATIVE SOLICITED IN PERSON SUCH PURCHASE, AND YOU SIGN AN AGREEMENT FOR SUCH PURCHASE, AT A PLACE OTHER THAN THE SELLER'S BUSINESS ADDRESS SHOWN ON THE CHARGE AGREEMENT, BY SENDING NOTICE OF SUCH CANCELLATION BY CERTIFIED MAIL RETURN RECEIPT REQUESTED TO THE SELLER AT HIS ADDRESS SHOWN ON THE AGREEMENT, WHICH NOTICE SHALL BE POSTED NOT LATER THAN MIDNIGHT OF THE THIRD DAY (EXCLUDING SUNDAYS AND HOLIDAYS) FOLLOWING YOUR SIGNING OF THE PURCHASE AGREEMENT. IF YOU CHOOSE TO CANCEL THIS PURCHASE, YOU MUST RETURN OR MAKE AVAILABLE TO SELLER AT THE PLACE OF DELIVERY ANY MERCHANDISE, IN ITS ORIGINAL CONDITION, RECEIVED BY YOU UNDER THIS

PURCHASE AGREEMENT.

CUSTOMER SERVICE - Direct all inquiries concerning your Account to: 1-800-906-0975 ext. 352.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT TO THIS AGREEMENT OR WITH THE PROCEEDS FROM IT. DEBTOR'S RECOVERY UNDER THIS AGREEMENT MAY NOT EXCEED THE AMOUNT OF CREDIT OUTSTANDING.

Note to all Buyers: Finance Charges will be made in amounts or at rates not in excess of those permitted by law. You have the right to pay in advance the full amount due.

NOTICE TO ALL BUYERS: 1) DO NOT SIGN THIS BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. 2) YOU ARE ENTITLED TO AN EXACT COPY OF THE AGREEMENT AT THE TIME YOU SIGN IT. 3) YOU HAVE THE RIGHT TO PAY IN ADVANCE THE FULL AMOUNT DUE, AND IN DOING SO YOU MAY RECEIVE A FULL REBATE OF ANY UNEARNED FINANCE AND INSURANCE CHARGES. 4) KEEP THIS AGREEMENT TO PROTECT YOUR LEGAL RIGHTS

TYISHA DANZY

2015-11-02 5:48:00PM

Tyisha Danzy

Client Name

Date

Signed

E-Signed by TYISHA DANZY on November 02, 2015 from IP address: 23.116.44.214

PLEASE LIST TWO REFERENCES THAT CURRENTLY DO NOT LIVE WITH YOU:

REDACTED

	NAME	RELATION	PHONE NUMBER
1.			
2.			

Your Billing Rights: Keep this Notice for Future Use

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

What To Do If You Find a Mistake On Your Statement

If you think there is an error on your statement, write to us at:

MDG USA, Inc.
3422 Old Capitol Trail, # 1993
Wilmington, DE 19808

In your letter, give us the following information:

- *Account information:* Your name and account number.
- *Dollar amount:* The dollar amount of the suspected error.
- *Description of problem:* If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors *in writing*. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

What Will Happen After We Receive Your Letter

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply your unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- *If we made a mistake:* You will not have to pay the amount in question or any interest or other fees related to that amount.
- *If we do not believe there was a mistake:* You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within *ten days* telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. And, we must tell you the name of anyone we reported you to. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

Exhibit 2



TYISHA DANZY



REDACTED

ID #

03/17/2018

CONGRATULATIONS!
YOU ARE CONDITIONALLY
APPROVED!

Dear **TYISHA**,

We would like to thank you on becoming an MDG USA Inc. Customer.

Experience our superior MDG service, providing reliable Desktop PCs, Laptops, and High Definition TVs since 1991.

To receive your order, please review the following pages and complete these easy steps:

Step 1 - Please carefully read all documents including privacy statement, loan disclosure, agreement and all other documents provided and sign where required. Your credit account is being provided by Capital Community Bank.

Step 2 - E-Sign this document and contact your sales representative to complete your order by providing the remaining requisite documents.

You may fax us at **1-855-802-8129** or email your sales representative @ **danb@mdghq.com**

Once we receive all of your paperwork, an MDG USA Inc. representative will contact you to verify any last minute details and advise you of when you can expect your order.

It's that simple! It's never been easier to buy.

Sincerely,

Dan B
MDG USA Inc. Inside Sales Specialist

Track the status of your order at any time: **www.mdg.com/Track?ID=2125817**

Follow MDG on Facebook: **www.facebook.com/mdg**

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Revised 9/2015

FACTS What does Capital Community Bank do with your personal information?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security Number
- Account Balances
- Payment History
- Transaction or Loss History
- Overdraft history
- Account Transactions

When you are *no longer* our customer, we continue to share your information as described in this notice.

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons MDG USA, Inc. chooses to share; and whether you can limit this sharing.

CHOICES You can choose whether we can share your personal information for the purposes listed below.

	Yes	No
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	<input type="checkbox"/>	<input type="checkbox"/>
For our marketing purposes - to offer our products and services to you	<input type="checkbox"/>	<input type="checkbox"/>
For joint marketing with other financial companies	<input type="checkbox"/>	<input type="checkbox"/>
For our affiliates' everyday business purposes - information about your transactions and experiences	<input type="checkbox"/>	<input type="checkbox"/>
For our affiliates' everyday business purposes - information about your creditworthiness	<input type="checkbox"/>	<input type="checkbox"/>
For nonaffiliates to market to you	<input type="checkbox"/>	<input type="checkbox"/>

Call 801.356.6699 or go to www.ccbankutah.com

<p>How does Capital Community Bank protect personal information?</p>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We also maintain other physical, electronic and procedural safeguards to protect this information and we limit access to information to those employees for whom access is appropriate.</p>
<p>How does Capital Community Bank collect my personal information?</p>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ Apply for a loan ■ Give us your contact information ■ Give us your income information ■ Show your government-issued ID ■ Provide employment information <p>We also collect your personal information from others, such as</p>
<p>Why can't I limit all sharing?</p>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ Sharing for affiliates' everyday business purposes - information about your creditworthiness ■ Affiliates from using your information to market to you ■ Sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>

<p>Affiliates</p>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Capital Community Bank does not share with our affiliates.</i>
<p>Nonaffiliates</p>	<p>Companies not related by common ownership or control. They can be financial or nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Capital Community Bank does not share with nonaffiliates so they can market to you.</i>
<p>Joint marketing</p>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Our joint marketing partners include credit card companies and insurance companies.</i>



REVOLVING CREDIT AGREEMENT AND DISCLOSURE STATEMENT
TRUTH IN LENDING DISCLOSURE

Interest Rate and Interest Charges	
Annual Percentage Rate (APR) for Purchase	<u>35.95%</u>
Penalty APR and When It Applies	<p align="center">44.95 % *</p> <p>This APR will be applied to your account if you make more than two late payments in three months.</p> <p>How Long Will the Penalty Rate Apply? If your APR is increased due to a late payment, the Penalty APR will apply until you make six consecutive minimum payments when due.</p>
Minimum Interest Charge*	If you are charged interest, the charge will be no less than \$0.50.
Paying Interest	You will be charged interest from the transaction date.**
Fees	
Annual Fee	\$0.00
Penalty Fees	
• Late Payment	Up to \$25.00
• Returned Payment	Up to \$25.00

How We Will Calculate Your Balance: We use a method called the "Daily Balance" method. See your Credit Agreement for more details.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

Daily Periodic Rates: The corresponding daily periodic rate is: 0.115%.

If this box is checked, the APR for Purchases stated above has been reduced by .25% from our standard APR because you have agreed to make automatic payments from your bank account to repay your obligations under this Agreement.

* **Minimum Interest Charges:** The minimum interest charge in Washington is \$1.00; is \$0.70 in New York; \$0.50 in Indiana, Iowa and Pennsylvania; and \$1.50 in all other states.

** The "transaction date" is the date MDG ships your order to you. MDG will not ship your order until all required downpayments (if any) have been received by MDG.

Optional Purchases: You have the option to purchase ProtectLine Account Protection ("ProtectLine") and you might be offered the chance to purchase other optional products or services in the future. Your purchase of ProtectLine or any other optional product or service is not required to obtain or maintain your Account (defined below). If you purchase ProtectLine, when a covered event occurs ProtectLine will suspend the accrual of interest and fees on your account balance during the period of ProtectLine coverage, and your minimum monthly payment will be reduced during that period. After the ProtectLine coverage ends, your minimum payment obligation will return to the standard requirement and interest and fees will then begin to accrue on your outstanding balance. See your ProtectLine Account Protection Terms for details of coverage and costs.

MILITARY ANNUAL PERCENTAGE RATE DISCLOSURE: Federal law provides important protections to active duty members of the armed forces, and their dependents relating to extensions of consume credit. In general, the costs of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an Annual Percentage Rate of 36 percent. This rate includes, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account). To hear this same disclosure, please call 1-800-906-0975 ext 352, and mention Military Lending.

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REVOLVING CREDIT AGREEMENT AND DISCLOSURE STATEMENT

1. GENERAL: This Revolving Credit Agreement and Disclosure Statement (the "Agreement") governs the terms of your revolving credit account with us (your "Account"). Please read this Agreement carefully and keep a copy for your records. Your Account is being provided by Capital Community Bank and will be serviced on our behalf by MDG USA, Inc. Your Account may only be used for purchases from MDG USA, Inc. In this Agreement, the terms "we," "us," "our" and "the Bank" refer to Capital Community Bank, a Utah-chartered bank; the term "MDG" means MDG USA, Inc.; and the term "Servicer" means "MDG USA Inc. and the terms "you," "your," and "Buyer" refer to the customer signing below.

If your credit application is approved and we open an Account for you, you may purchase household goods and services on credit from MDG. All purchases to be charged to your Account must be made with the Order Summary provided to you by MDG, and you agree that all such sales are subject to the terms of this Agreement.

2. USE OF YOUR ACCOUNT: By using your Account, you promise that all purchases made under this Agreement will be solely for your personal, family or household purposes and not for business purposes.

3. PROMISE TO PAY: You agree to pay for all purchases made on your Account, interest charges, and other applicable charges or fees under this Agreement incurred by you or anyone you authorize or permit to use your Account. If this Account is a joint account, each joint account holder agrees to pay, and all account holders are jointly and severally responsible for, all amounts owed on the Account, and we may require any one of you to pay the full amount owed without first asking the other joint account holder(s) to pay. If your Account is referred for collection to an attorney who is not our salaried employee, you agree to pay reasonable attorney fees and reasonable collection costs to the extent allowed by law in your state.

4. DOWNPAYMENTS: If you are required to make one or more down payments, MDG will not ship your order until MDG has received all required down payments. The Bank treats that shipment day as the "transaction date" for purposes of calculating your interest charges and other payment obligations. If you cancel your order, MDG will refund any down payments you have made. In addition, if you are required to make more than one down payment and the item or items you have ordered are no longer available or are on back-order, MDG will contact you to find out whether you want to cancel your order, accept a substitute, or wait until any back-ordered item is available.

You may cancel your order from MDG at any time until you have made all down payments. See the Order Summary provided to you by MDG for instructions on how to cancel your Order.

5. PAYMENT INSTRUCTIONS: All payments, except disputed payments, must be mailed or delivered to us at the address shown on your periodic billing statement, unless automatic payment arrangements have been made. All mailed payments must be made by check or money order. Do not send cash. Cash or other nonconforming methods of payment may be rejected. We may accept partial or late payments or checks marked "payment in full" or other restrictive endorsement without losing our right to receive the full amount owed. Your billing statement will include requirements for you to follow in making payments. You may pay your outstanding balance in full at any time without penalty.

If you have agreed to automatic payments being made from your bank account, then you need not mail payments so long as the automatic payments are in fact made. If you have arranged for your payments to be made by automatic payments and your payment due date falls on a day that is not a business day, then your payment will be due on the next business day.

6. MINIMUM PAYMENTS AND APPLICATION OF PAYMENTS: (A) You agree to pay us at least the Minimum Payment Due reflected on your billing statement. We calculate your bi-weekly Minimum Payment Due based on your Account balance as outlined in the Payment Chart below. For a monthly Minimum Payment Due, it equates to the bi-weekly Minimum Payment amount multiplied by 26 and divided by 12. You may pay more than the Minimum Payment Due and you may make your payment before the Payment Due Date shown on your billing statement.

Payment Chart		
Account Balance (\$)		Biweekly Payment (\$)
From	To	
0	499.99	\$13.99
500	999.99	2.99%
1000	1159.99	\$29.90
1160	1499.99	2.59%
1500	1699.99	\$38.85
1700+		2.30%

(B) Except where otherwise required by the state law(s) applicable to your Account, we first apply the payment(s) you make on your Account, to the unpaid interest charges. Next, we apply the payment to the principal. After we have applied your payment to the unpaid interest charges, and principal amount, we apply your payment toward late fees, and returned payment fees charged to your Account. Any downpayments you are required to make for any purchase from MDG will be applied to that purchase only.

7. CREDIT LIMIT AND AVAILABLE CREDIT: We will establish a Credit Limit for your Account when we establish the Account, and we will inform you of the amount of that Credit Limit when you open your Account. We may increase or decrease your Credit Limit at any time, at our sole discretion, except as limited by law, and we will inform you of any changes to your Credit Limit as required by law. The "Available Credit" on your Account usually will be your Credit Limit reduced by the outstanding and unpaid balance of our Account from time to time. However, we may reduce your Available Credit temporarily or permanently at our discretion at any time, except as limited by law. If we do reduce your Available Credit, we will inform you of such as required by law. You agree that you will not at any time charge purchases to your Account if it would cause you to exceed your Credit Limit or Available Credit, or if your Account is already in excess of its Credit Limit or Available Credit, or if your Account is in default. We are never required to allow you to exceed your Credit Limit or Available Credit but, if we in any instance do allow you to exceed your Credit Limit or Available Credit, we will not be required to do so again in the future and you are always required to repay the full amount of your Account, including any amounts in excess of your Credit Limit or Available Credit.

8. PREPAYMENT: You may pay all of your Account balance at any time without penalty. If you do not pay the entire balance in full, you must make a minimum payment each period by the payment due date that appears on your billing statement.

9. HOW WE DETERMINE YOUR BALANCE: The total outstanding balance (the amount you owe us) appears as the "New Balance" on your billing statement. To determine the New Balance, we begin with the outstanding balance on your Account at the beginning of each billing cycle, called the "Previous Balance" on your billing statement. We add in any new purchases and other charges posted to your Account since the end of the previous billing cycle and subtract any payments and credits we received. We then add the appropriate Finance Charges and fees, and make other applicable adjustments.

10. FINANCE CHARGES; NO GRACE PERIOD: We will begin charging interest on each purchase on the transaction date. The "transaction date" is the date MDG ships your order to you. Interest will accrue on the transaction until it is paid in full. There is no period within which you may repay advances for purchases to avoid a Finance Charge. Finance Charges accumulate each day until the exact current payoff amount is received and posted to your Account. The exact current payoff as of any day is the aggregate of all unpaid purchases, plus all accrued and unpaid Finance Charges, plus other amounts due hereunder, if any.

11. CALCULATION OF INTEREST CHARGES - AVERAGE DAILY BALANCE METHOD (INCLUDING CURRENT TRANSACTIONS): We figure the interest charge on your Account by applying the periodic rate to the "average daily balance" of your Account. To get the "average daily balance" we take the beginning balance of your Account each day, add any new purchases, and subtract any payments or credits. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance." **This method of calculating the average daily balance results in charging interest on unpaid interest (also known as compounding) and fees.** Notwithstanding the above, we do not begin charging interest on your purchases until the day MDG ships your purchase to you (the transaction date). If a law that applies to your Account and which sets maximum interest rates, is finally interpreted by a court having jurisdiction so that the interest or other charges collected or to be collected in connection with this Agreement exceed the permitted limit, then: (a) the interest and/or other charges payable hereunder will be reduced by the amount necessary to reduce them to the permitted limit, and (b) any sums already collected that exceed the permitted limit will be refunded to you. We may choose to make this refund by reducing the principal you owe under this Agreement or by making a direct payment to you.

A minimum interest charge of \$1.50 (\$1.00 in Delaware and Washington; 70 cents in NY, and 50 cents in Iowa and Pennsylvania) is added to your Account in any billing cycle that your Account is subject to an interest charge, except in states where prohibited by law.

12. PENALTY ANNUAL PERCENTAGE RATE: If you fail to make a Minimum Payment by its due date on more than two (2) occasions in three (3) months, we will increase the ANNUAL PERCENTAGE RATE on your Account to the amount disclosed in the Truth in Lending Disclosure provided above. Our right to charge the Penalty APR applies in addition to our other remedies under this Agreement. The Penalty APR will apply until you make six consecutive minimum payments when due.

13. LATE FEE: If your payment is more than 10 days late, you will be charged a late fee equal to \$25.00. The late fee is added to your Account balance, but interest is not charged on the late fee portion of your balance. We do not charge a late fee if your downpayment is late, but MDG may cancel your order as provided in your Order Summary if any required downpayment is late.

14. RETURNED PAYMENT FEE: If any check is returned nonpayable or insufficient funds by your bank, you agree to pay a Returned Check Fee in the amount of \$25. If required by your state, you will receive a notice and right to cure, and no charges will be added if you cure within the time indicated on your notice. We are not required to present the check more than once to your bank for payment. This fee will be added to your Account balance, but interest will not be charged on the returned check fee portion of your balance.

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check fee
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15. BILLING STATEMENT: We will mail or email you a statement for each period that you have any unpaid Account balance or during which any interest or other Finance Charges were imposed. We will mail or email that statement to you at the address or email address we have in our records at least 14 days before the next payment is due on your Account. This statement will show, among other things, all transactions on your Account for the period, late charges, insufficient check charges, previous balance, the balance on which Finance Charges are computed and how that balance was determined, your new balance, Finance Charges, the periodic rate and corresponding ANNUAL PERCENTAGE RATE used to compute your Finance Charges, payments received, credits, minimum payment due, and payment due date.

16. ELECTRONIC FUND TRANSFER: When you provide a check, you authorize us either to use information from your check to make a one-time electronic fund transfer from your checking account or to process the transaction as a check. When we use your check to make an electronic fund transfer, funds may be withdrawn from your checking account as soon as the same day we receive your payment, and you may not receive your check back from your financial institution. If there are insufficient funds in your checking account you authorize us to charge a Returned Check Fee as indicated above.

17. DEFAULT: You are in "Default" if: (a) you fail to make a required payment when due on two occasions in any 12 month period; or (b) you fail to observe or perform any of the other covenants or duties contained in this Agreement. If you fail to cure within the time allowed in your notice or within 30 days if you live in a state with no notice requirement, we will accelerate your balance and the full Account balance will be immediately due and payable by you. Iowa residents will receive a Notice of Right to Cure.

18. ADDITIONAL REMEDIES: Without limiting any other provision of this agreement, if you are in Default we may do one or more of the following at any time(s) chosen by us, in our sole discretion: (a) we may commence proceedings to collect amounts that you owe to us; and/or (b) we may exercise any other rights or remedies we may have at law, in equity, or under this Agreement. To the extent allowed by law, you agree to pay our reasonable costs and legal expenses that that we may incur to recover any amounts you may owe us. We may accept payments after maturity or after a Default without waiving our rights with respect to any subsequent default in payment. Subject to applicable law, our rights and remedies under this Agreement are cumulative and not alternative and may be enforced either successfully or concurrently.

19. YOUR OBLIGATIONS TO PROVIDE ADDITIONAL INFORMATION: At any time while your Account is open, we may require that you provide to us, and you agree to provide, updated financial and/or other information concerning you, including, without limitation, recent bank statements or tax information.

20. CREDIT VERIFICATION AND CONSUMER REPORTS: You authorize us to obtain credit and employment information about you by any means and at various times. We may obtain credit and employment information by any means, including obtaining information from check or credit-reporting agencies and/or from other sources. You also agree that we may obtain consumer reports (credit reports) for any reason on any of you from time to time in the future when updating, renewing, or extending your Account. We may do so at the time you open your Account, at any time while your Account is open, or after your Account is closed, if you owe us any amount related to your Account. Depending on your individual circumstances, it is possible that your credit score will be impacted when we access your credit file. Upon your request, we will tell you whether we obtained a consumer report (credit report) and the name and address of any consumer-reporting agency that provided such reports.

21. FURNISHING INFORMATION TO CONSUMER-REPORTING AGENCIES: WE MAY REPORT INFORMATION ABOUT YOUR ACCOUNT TO CREDIT REPORTING AGENCIES. LATE PAYMENTS, MISSED PAYMENTS, OR OTHER DEFAULTS ON YOUR ACCOUNT MAY BE REFLECTED IN YOUR CREDIT REPORT. If you believe that we have furnished any inaccurate information relating to your Account to any consumer-reporting agency, you may notify us by phone by contacting our Servicer at 1-800-906-0975 or by mail at 3422 Old Capitol Trail, # 1993, Wilmington, DE 19808. To help us respond to your notification, include your Account number, Social Security Number, the name of the consumer-reporting agency reflecting the inaccurate information, and an explanation of why you believe the information is inaccurate. You understand that you may also contact the consumer-reporting agency directly at: Equifax P.O. Box 740241, Atlanta, GA 30374-0241, 1-800-685-1111; Experian, P.O. Box 2104, Allen, TX 75013-0949, 1-888-397-3742; or TransUnion Consumer Solutions, P.O. Box 2000, Chester, PA 19022-2000, 1-800-916-8800. **California and Utah residents: As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.**

22. ACCOUNT ADJUSTMENTS: We may make adjustments to your Account from time to time to reflect corrections or changes to your balance. Adjustments might occur, for example, if payments are posted for the wrong amount, or to the wrong account, or if items are returned unpaid. In the event of an error that has caused your account to be incorrect, you agree to pay the necessary amount to correct the error.

23. CHANGE IN TERMS: We may change the terms of this Agreement, as permitted by law, at any time. Any changes in the rates and other terms may apply both to new purchases and to the outstanding balance on your Account, except as limited by law. You will be notified of changes in accordance with applicable state and federal law.

24. ACCOUNT CANCELLATION: We may cancel your Account at any time for any reason subject to the requirements of

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applicable law. Outstanding balances continue to accrue Finance Charges until paid in full, and remain subject to all terms and conditions of this Agreement. You may cancel your Account by writing to MDG (as the servicer of your Account with us) us at

MDG USA, Inc., 3422 Old Capitol Trail, # 1993, Wilmington, DE 19808. Your notice is effective on receipt. If you cancel your Account, you are still responsible for all amounts owed pursuant to the terms of this Agreement and you must pay everything you owe as required by the Agreement, including any amounts not yet billed to you.

25. OPTIONAL PURCHASES: You have the option to purchase ProtectLine Account Protection ("ProtectLine") and you might be offered the chance to purchase other optional products or services in the future. Your purchase of ProtectLine or any other optional product or service is not required to obtain or maintain your Account. If you purchase ProtectLine, when a covered event occurs ProtectLine will suspend the accrual of interest and fees on your account balance during the period of ProtectLine coverage, and your minimum monthly payment will be reduced during that period. After the ProtectLine coverage ends, your minimum payment obligation will return to the standard requirement and interest and fees will then begin to accrue on your outstanding balance. See your ProtectLine Account Protection Terms for details of coverage and costs.

26. TELEPHONE MONITORING, RECORDING AND CALLS: We treat every customer call confidentially. To assure that you receive the best possible customer service, and that our employees are complying with our policies and all applicable laws, your calls with us or our Servicer may be monitored and/or recorded. You agree that you have an established business relationship with us, that all of our contacts with you are not unsolicited, and that we may contact you from time to time regarding your Account (including for collections purposes) and products and services that we believe may be of interest to you. You further agree that all of our contacts with you (including through our Servicer) may be made with an automated dialing and announcing or similar device and/or an artificial voice or prerecorded message to the extent permitted by law. You authorize us, our affiliates, agents, and others calling at their request or on their behalf to contact you at any number (i) you have provided to us, (ii) from which you have called us, or (iii) which we obtain and believe we can reach you at. We may contact you in any way, such as calling, texting, using an automated dialer or using pre-recorded messages. We may contact you on mobile, wireless, or similar device, even if you are charged for it by your provider.

27. ASSIGNMENT: This Agreement is not effective until your application has been approved by us. We have the right to assign any or all of our rights under this Agreement to any assignee of our choosing. You may not assign this Agreement or any rights under this Agreement and any attempt to make such an assignment will be null and void. This Agreement legally binds the parties and their respective heirs, representatives, executors, administrators, successors and assigns.

28. SEVERABILITY: If any provision of this Agreement is deemed void or unenforceable under any law, rule, or regulation, all other provisions remain in effect and enforceable.

29. NON-WAIVER: We do not lose any of our rights under this Agreement if we delay taking action for any reasons.

30. REPRESENTATION: You swear that all the information you supplied on your credit application and all the information on each revolving credit sales slip is and will be true, correct, and accurate. Any false, incorrect, or misleading information your knowingly supply is a deliberate misrepresentation.

31. NO FURTHER TRANSACTIONS IF ACCOUNT IS CLOSED: If either you or we close your Account you may not make further purchases using your Account. However, you will remain responsible and must pay for all credit owed to us (extended to you or arising from use of your Account prior to or subsequent to cancellation).

32. MILITARY ANNUAL PERCENTAGE RATE DISCLOSURE: Federal law provides important protections to active duty members of the armed forces, and their dependents relating to extensions of consume credit. In general, the costs of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an Annual Percentage Rate of 36 percent. This rate includes, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account). To hear this same disclosure, please call 1-800-906-0975 ext 352, and mention Military Lending.

33. FORCE MAJEURE: Unless otherwise required by applicable law, we are not responsible and will not incur liability to you for any failure, error, malfunction or any delay in carrying out obligations under this Agreement if such failure, error or delay results from causes that are beyond our reasonable control (including, but not limited to inclement weather, fire, flood, acts of war or terrorism, and earthquakes).

34. ARBITRATION OF DISPUTES: RESOLUTION OF DISPUTES: I HAVE READ THIS PROVISION CAREFULLY AND UNDERSTAND THAT IT LIMITS MY RIGHTS IN THE EVENT OF A DISPUTE BETWEEN YOU AND ME. I UNDERSTAND THAT I HAVE THE RIGHT TO REJECT THIS PROVISION AS PROVIDED IN PARAGRAPH (b) BELOW. If you are a "Covered Borrower" as defined by the Military Lending Act (32 CFR §232, as amended from time to time) at the time of entering into this Agreement, this section 34 Arbitration is not applicable, you do not need to opt out of or take any action to ensure inapplicability.

a. Either party to this Agreement, or any subsequent holder, may, at its sole election, require that the sole and exclusive forum and remedy for resolution of a Claim be final and binding arbitration pursuant to this section 34 (the "Arbitration Provision"), unless you opt out as provided in section 34 (b) below. As used in this Arbitration Provision, "Claim" shall include any past, present, or future claim, dispute, or controversy involving you (or persons claiming through or connected with you), on the one hand, and us and/or any subsequent holder (or persons claiming through or connected with us and/or the subsequent holders), on the other hand, relating to or arising out of this Agreement, any Loan Agreement and Promissory Note(s), the Site, and/or the activities or relationships that involve, lead to, or result from any of the foregoing, including (except to the extent provided otherwise in the last sentence of section 34 (f) below) the validity or enforceability of this Arbitration Provision, any part thereof, or the entire Agreement. Claims are subject to arbitration regardless of whether they arise from contract; tort (intentional or otherwise); a constitution, statute, common law, or principles of equity; or otherwise. Claims include matters arising as initial claims, counter-claims, cross-claims, third-party claims, or otherwise. The scope of this Arbitration Provision is to be given the broadest possible interpretation that is enforceable.

b. You may opt out of this Arbitration Provision for all purposes by sending an arbitration opt out notice to our Servicer, at MDG USA Inc., 3422 Old Capitol Trail, PMB# 1993, Wilmington, DE 19808, Attention: Legal Department, **which is received at the specified address within 30 days of the date of your electronic acceptance of the terms of this Agreement.** The opt out notice must clearly state that you are rejecting arbitration; identify the Agreement to which it applies by date; provide your name, address, and social security number; and be signed by you. You may send an opt out notice in any manner you see fit as long as it is received at the specified address within the specified time. No other methods can be used to opt out of this Arbitration Provision. If the opt out notice is sent on your behalf by a third party, such third party must include evidence of his or her authority to submit the opt out notice on your behalf.

c. The party initiating arbitration shall do so with the American Arbitration Association (the "AAA") or Judicial Alternatives and Mediation Services ("JAMS"). The arbitration shall be conducted according to, and the location of the arbitration shall be determined in accordance with, the rules and policies of the administrator selected, except to the extent the rules conflict with this Arbitration Provision or any countervailing law. If you have any questions concerning the AAA or would like to obtain a copy of the AAA arbitration rules, you may call 1(800) 778-7879 or visit the AAA's web site at: www.adr.org. <<http://www.adr.org/>> If you have any questions concerning JAMS or would like to obtain a copy of the JAMS arbitration rules, you may call 1(800) 352-5267 or visit their web site at: www.jamsadr.com. <<http://www.jamsadr.com/>> In the case of a conflict between the rules and policies of the administrator and this Arbitration Provision, this Arbitration Provision shall control, subject to countervailing law, unless all parties to the arbitration consent to have the rules and policies of the administrator apply.

d. If we (or the subsequent holder) elect arbitration, we (or the subsequent holder, as the case may be) shall pay all the administrator's filing costs and administrative fees (other than hearing fees). If you elect arbitration, filing costs and administrative fees (other than hearing fees) shall be paid in accordance with the rules of the administrator selected, or in accordance with countervailing law if contrary to the administrator's rules. We (or the subsequent holder, as the case may be) shall pay the administrator's hearing fees for one full day of arbitration hearings. Fees for hearings that exceed one day will be paid by the party requesting the hearing, unless the administrator's rules or applicable law require otherwise, or you request that we (or the subsequent holder) pay them and we agree (or the subsequent holder agrees) to do so. Each party shall bear the expense of its own attorneys' fees, except as otherwise provided by law. If a statute gives you the right to recover any of these fees, these

e. Within 30 days of a final award by the arbitrator, any party may appeal the award for reconsideration by a three-arbitrator panel selected according to the rules of the arbitrator administrator. In the event of such an appeal, any opposing party may cross-appeal within 30 days after notice of the appeal. The panel will reconsider de novo all aspects of the initial award that are appealed. Costs and conduct of any appeal shall be governed by this Arbitration Provision and the administrator's rules, in the same way as the initial arbitration proceeding. Any award by the individual arbitrator that is not subject to appeal, and any panel award on appeal, shall be final and binding, except for any appeal right under the Federal Arbitration Act ("FAA"), and may be entered as a judgment in any court of competent jurisdiction.

f. We agree not to invoke our right to arbitrate an individual Claim you may bring in Small Claims Court or an equivalent court, if any, so long as the Claim is pending only in that court. NO ARBITRATION SHALL PROCEED ON A CLASS, REPRESENTATIVE, OR COLLECTIVE BASIS (INCLUDING AS PRIVATE ATTORNEY GENERAL ON BEHALF OF OTHERS), EVEN IF THE CLAIM OR CLAIMS THAT ARE THE SUBJECT OF THE ARBITRATION HAD PREVIOUSLY BEEN ASSERTED (OR COULD HAVE BEEN ASSERTED) IN A COURT AS CLASS REPRESENTATIVE, OR COLLECTIVE ACTIONS IN A COURT. Unless consented to in writing by all parties to the arbitration, no party to the arbitration may join, consolidate, or otherwise bring claims for or on behalf of two or more individuals or unrelated corporate entities in the same arbitration unless those persons are parties to a single transaction. Unless consented to in writing by all parties to the arbitration, an award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the claims in arbitration, and shall not (a) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party; nor (b) make an award for the benefit of, or against, anyone other than a named party. No administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this section 34(f), and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this section 34(f) shall be determined exclusively by a court and not by the administrator or any arbitrator.

g. This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by and enforceable under the FAA. The arbitrator will apply substantive law consistent with the FAA and applicable statutes of limitations. The arbitrator may award damages or other types of relief permitted by applicable substantive law, subject to the limitations set forth in this Arbitration Provision. The arbitrator will not be bound by judicial rules of procedure and evidence that would apply in a court. The arbitrator shall take steps to reasonably protect confidential information.

h. This Arbitration Provision shall survive (i) suspension, termination, revocation, closure, or amendments to this Agreement; (ii) the bankruptcy or insolvency of any party or other person; and (iii) any transfer of any loan or Loan Agreement or Promissory Note(s) or any other promissory note(s) which you owe, or any amounts owed on such loans or notes, to any other person or entity. If any portion of this Arbitration Provision other than section 34(f) is deemed invalid or unenforceable, the remaining portions of this Arbitration Provision shall nevertheless remain valid and in force. If an arbitration is brought on a class, representative, or collective basis, and the limitations on such proceedings in section 34 (f) are finally adjudicated pursuant to the last sentence of section 34(f) to be unenforceable, then no arbitration shall be had. In no event shall any invalidation be deemed to authorize an arbitrator to determine Claims or make awards beyond those authorized in this Arbitration Provision.

THE PARTIES ACKNOWLEDGE THAT THEY HAVE A RIGHT TO LITIGATE CLAIMS THROUGH A COURT BEFORE A JUDGE OR JURY, BUT WILL NOT HAVE THAT RIGHT IF ANY PARTY ELECTS ARBITRATION PURSUANT TO THIS ARBITRATION PROVISION. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS IN A COURT BEFORE A JUDGE OR JURY UPON ELECTION OF ARBITRATION BY ANY PARTY.

35. SECURITY AGREEMENT: You grant us a purchase money security interest under the Uniform Commercial Code in each household good purchased on your Account to the full extent permitted by law. For New York, we will take a security interest only for products purchased with a purchase price of at least \$200. If Borrower is in default, we shall have the right to exercise, at our option, any and all rights and remedies available at law and/or in equity.

Arizona residents - You must give us notice of your claim or defense in writing by certified mail within 90 days of receiving any goods or you may waive the right to set-offs or defense against assignee if assignee provides you a notice of your rights and you fail to exercise those rights pursuant to the terms of the notice. **Anuncio: Residentes de Arizona pueden pedir que los declaraciones iniciales ordenados en el Truth in Lending Act (15 United States Code §§ 1601 through 1666j) sean traducidos en español antes de firmar cualquier formulario de préstamo.**

All Accounts, including New York/Rhode Island/Vermont Residents: You agree to give us permission to access your credit report in connection with any transaction, or extension of credit, and on an ongoing basis, for the purpose of reviewing your Account, adjusting the credit limit on your Account, taking collection action on your Account, or for any other legitimate purposes associated with your Account. Alimony, child support or separate maintenance payments need not be revealed if you do not want us to consider it in determining your creditworthiness. Upon your request, you will be informed of whether or not a consumer credit report was ordered, and if it was, you will be given the name and address of the consumer reporting agency that furnished the report. New York residents may contact the New York State Banking Department: 1-800-518-8866.

Connecticut Residents: Damages may be imposed if a check is dishonored. Connecticut General Statutes § 52-565a authorizes our collection of damages for dishonored checks; criminal penalties may also apply.

Maryland Residents: Maryland law requires that if you send us a written request about the status of your Account and we do not answer that request within 60 days after we receive it, you are not required to pay a finance charge for that 60 day period or until we answer.

Missouri Residents: If you prepay your Account in full, you may be entitled to a refund of certain interest under Mo. Rev. Stat. § 408.170.

New Hampshire Residents: Reasonable attorney's fees will be awarded to you if you prevail in (a) any action, suit or proceeding brought by us, or (b) any action brought by you. If you successfully assert a partial defense or set-off, recoupment or counterclaim to an action brought by us, the court may withhold from us the entire amount or such portion of the attorney fees as the court considers equitable.

Ohio Residents: The Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

Married Wisconsin Residents: No provision of any marital property agreement, any unilateral statement, or court decree under Wisconsin's Marital Property Act adversely affects the interest of a creditor unless, prior to the time credit is granted, the creditor is furnished a copy of that agreement, statement or decree or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. We may require that you pay the entire amount that you have outstanding if you do not pay amounts that come

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT TO THIS AGREEMENT OR WITH THE PROCEEDS FROM IT. DEBTOR'S RECOVERY UNDER THIS AGREEMENT MAY NOT EXCEED THE AMOUNT OF CREDIT OUTSTANDING.

Note to all Buyers: Finance Charges will be made in amounts or at rates not in excess of those permitted by law. You have the right to pay in advance the full amount due.

NOTICE TO ALL BUYERS: 1) DO NOT SIGN THIS BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. 2) YOU ARE ENTITLED TO AN EXACT COPY OF THE AGREEMENT AT THE TIME YOU SIGN IT. 3) YOU HAVE THE RIGHT TO PAY IN ADVANCE THE FULL AMOUNT DUE, AND IN DOING SO YOU MAY RECEIVE A FULL REBATE OF ANY UNEARNED FINANCE AND INSURANCE CHARGES. 4) KEEP THIS AGREEMENT TO PROTECT YOUR LEGAL RIGHTS

TYISHA DANZY

03/17/2018 4:04:00PM

Tyisha Danzy

Client Name

Date

Signed

E-Signed by TYISHA DANZY on March 17, 2018 from IP address: 107.77.214.173

PLEASE LIST TWO REFERENCES THAT CURRENTLY DO NOT LIVE WITH YOU: REDACTED

NAME	RELATION	PHONE NUMBER
1.		
2.		

Your Billing Rights: Keep this Notice for Future Use

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

What To Do If You Find a Mistake On Your Statement

If you think there is an error on your statement, write to our Account servicer at:

MDG USA, Inc.
3422 Old Capitol Trail, # 1993
Wilmington, DE 19808

In your letter, give us the following information:

- *Account information:* Your name and account number.
- *Dollar amount:* The dollar amount of the suspected error.
- *Description of problem:* If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors *in writing*. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

What Will Happen After We Receive Your Letter

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply your unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- *If we made a mistake:* You will not have to pay the amount in question or any interest or other fees related to that amount.
- *If we do not believe there was a mistake:* You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within *ten days* telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. And, we must tell you the name of anyone we reported you to. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

Exhibit 3



TYISHA DANZY

ID #: REDACTED

2022-01-25

Dear TYISHA,

Thank you for your order!

Since you are an **existing** MDG customer, your Terms & Conditions as outlined on your most recent financing contract are still valid for this order.

All you have to do now is sign this new Order Summary and let us know if any information on file has changed, including, but not limited to, your references, banking information, contact address and/or phone number(s).

You may fax us at **1-855-802-8129** or email your sales representative @ **sales@mdg.ca**.

Sincerely,

MDG USA Inc. Inside Sales Specialist

ORDER SUMMARY

YOUR ORDER AND SHIPPING DETAILS:

QTY	ITEM		PRICE
1	Samsung 65" TU7000 UHD 4K Smart TV & PS5 Disc Gaming Console	\$	1,899.00
1	Shipping and Handling	\$	0.00
1	Scheduled Delivery	\$	49.00
TOTAL SALE AMOUNT:		\$	1,948.00

See Next Page for Remainder of Order Summary...

Exhibit 3
Page 23



ORDER SUMMARY

YOUR ORDER AND SHIPPING DETAILS:

MDG USA Inc.

2940 Bristol Circle
 Oakville, ON L6H 6G4
 (Tax ID: 98-1475057)
 Phone: 1-800-906-0975
 Email: finance@mdg.com
 Date: 2022-01-25

Customer Information REDACTED

Account Number:
 Order: **5170860 - 5 -**
 Customer Name: **TYISHA DANZY**
 Billing Address:
 Telephone:
 Email:
 Ship to Address: **Same**

This Order Summary reflects your purchase from MDG USA, Inc., the amount of your purchase that you have financed with your Revolving Credit Account with Capital Community Bank (CCBank), and your required payment amounts to CCBank

PURCHASE INFORMATION

SALE AMOUNT	\$	1,948.00
SALES TAX - (CALIFORNIA):	\$	180.19
CA E-WASTE FEE	\$	6.00
TOTAL PURCHASE PRICE	\$	2,134.19
REQUIRED DOWN PAYMENT	\$	58.84
BALANCE OUTSTANDING ON FINANCED PURCHASE	\$	2,075.35
BIWEEKLY PAYMENT AMOUNT	\$	47.73

Note: MDG may provide the manufacturer's warranty if unavailable from the manufacturer in your country. Please contact MDG with any support or warranty related issues.

TYISHA DANZY

01/25/2022 11:51 AM

Tyisha Danzy

Client Name

Date

Signed

E-Signed by TYISHA DANZY on 01/25/2022 11:51 AM from IP address: 2600:1700:697d:ac30:f4bd:acd3:996e:2678

User Agent: Mozilla/5.0 (iPhone; CPU iPhone OS 15_0_2 like Mac OS X) AppleWebKit/605.1.15 (KHTML, like Gecko) Version/15.0 Mobile/15E148 Safari/604.1

**Consumer Privacy Notice
MDG USA Inc.**

FACTS	WHAT DOES MDG USA Inc. DO WITH YOUR PERSONAL INFORMATION?
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	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
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	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ■ Social Security number and income ■ account balances and payment history ■ credit history and credit scores <p>When you close your account, we continue to share information about you according to our policies.</p>
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	All financial companies need to share customers' personal information to run their everyday business - to process transactions, maintain customer accounts, and report to credit bureaus. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons MDG USA Inc. chooses to share, and whether you can limit this sharing.
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Purpose for which we use your personal information	You may opt to "Yes" or "No"	You may opt to "Yes" or "No"
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes - to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	Yes
For our affiliates' everyday business purposes - information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes - information about your creditworthiness	Yes	Yes
For our affiliates to market to you	Yes	Yes
For nonaffiliates to market to you	Yes	Yes

	<p>Call toll-free 1-800-906-0975</p> <p>Please note: If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice, when your order is submitted for verification or your application for financing has been submitted, whichever date is earliest. When you are <i>no longer</i> our customer, we can continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>
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	<p>Call 1-800-906-0975</p> <p>OR</p> <p>Email us at support@mdg.com</p>
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Who is providing this notice?	MDG USA Inc.
How does MDG USA Inc. protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does MDG USA Inc. collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> ■ open an account or apply for financing ■ give us your contact information or pay us by check ■ give us your income information <p>We also collect your personal information from others, such as credit bureaus, affiliates or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes - information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include financial and nonfinancial related companies, such as order fulfillment, account servicing, inventory, warehouse fulfillment, and other service companies including those companies owned by the MDG Group of companies.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial or nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Nonaffiliates we share with can include direct marketing companies and service providers.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Our joint marketing partners include strategic financial institutions</i>
<p>You may have other privacy protections under state law. We will comply with applicable laws with regard to the disclosure of your personal information.</p>	



Superior Court of California, County of Alameda Alternative Dispute Resolution (ADR) Information Packet

The person who files a civil lawsuit (plaintiff) must include the ADR Information Packet with the complaint when serving the defendant. Cross complainants must serve the ADR Information Packet on any new parties named to the action.

The Court *strongly encourages* the parties to use some form of ADR before proceeding to trial. You may choose ADR by:

- Indicating your preference on Case Management Form CM-110;
- Filing the Stipulation to ADR and Delay Initial Case Management Conference for 90 Days (a local form included with the information packet); or
- Agree to ADR at your Initial Case Management Conference.

QUESTIONS? Call (510) 891-6055. Email adrprogram@alameda.courts.ca.gov
Or visit the court's website at <http://www.alameda.courts.ca.gov/adr>

What Are The Advantages Of Using ADR?

- **Faster** – Litigation can take years to complete but ADR usually takes weeks or months.
- **Cheaper** – Parties can save on attorneys' fees and litigation costs.
- **More control and flexibility** – Parties choose the ADR process appropriate for their case.
- **Cooperative and less stressful** – In mediation, parties cooperate to find a mutually agreeable resolution.
- **Preserve Relationships** – A mediator can help you effectively communicate your interests and point of view to the other side. This is an important benefit when you want to preserve a relationship.

What Is The Disadvantage Of Using ADR?

- **You may go to court anyway** – If you cannot resolve your dispute using ADR, you may still have to spend time and money resolving your lawsuit through the courts.

What ADR Options Are Available?

- **Mediation** – A neutral person (mediator) helps the parties communicate, clarify facts, identify legal issues, explore settlement options, and agree on a solution that is acceptable to all sides.
 - **Court Mediation Program:** Mediators do not charge fees for the first two hours of mediation. If parties need more time, they must pay the mediator's regular fees.

Some mediators ask for a deposit before mediation starts which is subject to a refund for unused time.

- **Private Mediation:** This is mediation where the parties pay the mediator's regular fees and may choose a mediator outside the court's panel.
- **Arbitration** – A neutral person (arbitrator) hears arguments and evidence from each side and then decides the outcome of the dispute. Arbitration is less formal than a trial and the rules of evidence are often relaxed. Arbitration is effective when the parties want someone other than themselves to decide the outcome.
 - **Judicial Arbitration Program (non-binding):** The judge can refer a case or the parties can agree to use judicial arbitration. The parties select an arbitrator from a list provided by the court. If the parties cannot agree on an arbitrator, one will be assigned by the court. There is no fee for the arbitrator. The arbitrator must send the decision (award of the arbitrator) to the court. The parties have the right to reject the award and proceed to trial.
 - **Private Arbitration (binding and non-binding)** occurs when parties involved in a dispute either agree or are contractually obligated. This option takes place outside of the courts and is normally binding meaning the arbitrator's decision is final.

Mediation Service Programs In Alameda County

Low cost mediation services are available through non-profit community organizations. Trained volunteer mediators provide these services. Contact the following organizations for more information:

SEEDS Community Resolution Center

2530 San Pablo Avenue, Suite A, Berkeley, CA 94702-1612

Telephone: (510) 548-2377 Website: www.seedsrc.org

Their mission is to provide mediation, facilitation, training and education programs in our diverse communities – **S**ervices that **E**ncourage **E**ffective **D**ialogue and **S**olution-making.

Center for Community Dispute Settlement

291 McLeod Street, Livermore, CA 94550

Telephone: (925) 373-1035 Website: www.trivalleymediation.com

CCDS provides services in the Tri-Valley area for all of Alameda County.

For Victim/Offender Restorative Justice Services

Catholic Charities of the East Bay: Oakland

433 Jefferson Street, Oakland, CA 94607

Telephone: (510) 768-3100 Website: www.cceb.org

Mediation sessions involve the youth, victim, and family members work toward a mutually agreeable restitution agreement.

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address) TELEPHONE NO.: _____ FAX NO. (Optional): _____ E-MAIL ADDRESS (Optional): _____ ATTORNEY FOR (Name): _____	FOR COURT USE ONLY
SUPERIOR COURT OF CALIFORNIA, ALAMEDA COUNTY STREET ADDRESS: MAILING ADDRESS: CITY AND ZIP CODE: BRANCH NAME:	
PLAINTIFF/PETITIONER: DEFENDANT/RESPONDENT:	
STIPULATION TO ATTEND ALTERNATIVE DISPUTE RESOLUTION (ADR) AND DELAY INITIAL CASE MANAGEMENT CONFERENCE FOR 90 DAYS	CASE NUMBER:

INSTRUCTIONS: All applicable boxes must be checked, and the specified information must be provided.

This stipulation is effective when:

- All parties have signed and filed this stipulation with the Case Management Conference Statement at least 15 days before the initial case management conference.
- A copy of this stipulation has been received by the ADR Program Administrator, 24405 Amador Street, Hayward, CA 94544 or Fax to (510) 267-5727.

1. Date complaint filed: _____. An **Initial Case Management Conference** is scheduled for:

Date: _____ Time: _____ Department: _____

2. Counsel and all parties certify they have met and conferred and have selected the following ADR process (check one):

- Court mediation Judicial arbitration
- Private mediation Private arbitration

3. All parties agree to complete ADR within 90 days and certify that:

- a. No party to the case has requested a complex civil litigation determination hearing;
- b. All parties have been served and intend to submit to the jurisdiction of the court;
- c. All parties have agreed to a specific plan for sufficient discovery to make the ADR process meaningful;
- d. Copies of this stipulation and self-addressed stamped envelopes are provided for returning endorsed filed stamped copies to counsel and all parties;
- e. Case management statements are submitted with this stipulation;
- f. All parties will attend ADR conferences; and,
- g. The court will not allow more than 90 days to complete ADR.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date:

(TYPE OR PRINT NAME)



(SIGNATURE OF PLAINTIFF)

Date:



(TYPE OR PRINT NAME)

(SIGNATURE OF ATTORNEY FOR PLAINTIFF)

ALA ADR-001

PLAINTIFF/PETITIONER:	CASE NUMBER.:
DEFENDANT/RESPONDENT:	

Date:

(TYPE OR PRINT NAME)



(SIGNATURE OF DEFENDANT)

Date:

(TYPE OR PRINT NAME)



(SIGNATURE OF ATTORNEY FOR DEFENDANT)

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [MDG Issued Loans with Illegal Interest Rates in California, Class Action Claims](#)
