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SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION - OCEAN COUNTY  
DOCKET NO.

*24156.09*

DEBRA J. FREEMAN, individually, :  
and on behalf of all others :  
similarly situated, :

Plaintiff, : *Civil Action*

v. : **CLASS ACTION COMPLAINT &  
JURY DEMAND**

INTEGRITY ADVANCE LLC, in- :  
dividually and d/b/a :  
IADVANCECASH, JOHN DOE 1-100 :  
and JOHN ROE 1-100, :  
Defendants. :

-----:

Plaintiff, Debra J. Freeman, residing at 482 Gable Circle, Manchester, Ocean County, New Jersey, by way of Complaint against the above-named defendants, Integrity Advance LLC, IAdvanceCash, John Doe 1-100 and John Roe 1-100, hereinafter referred to as "Defendants," who have repeatedly engaged in illegal, fraudulent, and, deceptive business practices in connection with short term loans to New Jersey consumers, says:--

1. Plaintiff alleges that Defendants have charged New Jersey consumers interest rates on short term "payday" loans up to and exceeding 600%, far in excess of New Jersey's civil and criminal usury limit. Plaintiff further alleges that Defendants and affiliated entities have made misrepresentations engaged in deception and participated in a conspiracy to evade the usury laws of the State of New Jersey.

2. Plaintiff and the class she represents seek injunctive relief and restitution, damages, penalties and costs against the Defendants.

### THE PARTIES

3. Debra J. Freeman is a lawful resident of the State of New Jersey and United States. At all times relevant hereto, the transactions complained of originated in the State of New Jersey.

4. Defendant, Integrity Advance LLC, individually and d/b/a IadvanceCash, is a foreign LLC authorized under the laws of the State of Delaware with its principal place of business located at 300 Creek View Road, Suite 102, Newark, DE 19711, and is doing business in the State of New Jersey. Defendant makes payday loans to New Jersey consumers.

5. John Doe 1-100 and John Roe 1-100 are fictitious named defendants and represent individuals, entities, companies, and corporations that Defendant, Integrity may be doing business as in the State of New Jersey.

6. Payday loans are small, short-term, high-interest rate loans. These loans are commonly referred to as payday loans because they generally come due on the borrower's next payday. Nevertheless, borrowers who are not working may also qualify for these loans, provided they receive regular income such as Social Security or disability benefits. To those borrowers, the loan is typically extended until the date by which the next benefit payment is expected.

7. At all times relevant to the Complaint, Defendants maintain an internet website: [www.iadvancecash.com](http://www.iadvancecash.com), and at least one call center through which New Jersey borrowers could obtain payday loans. Many New Jersey consumers have responded to this website's solicitations and advertisements, corresponding with Integrity Advance or another affiliated entity via email, telephone, or facsimile.

8. After the initial contact, an agent or employee of the Defendants or another affiliated entity, either by telephone, facsimile, or electronically via the internet, obtains the necessary background information from the consumer and transmits, generally via

facsimile, a payday loan application. The application requests information about the consumer's employment history and bank or checking accounts, and gives a summary of how the payday loan process works. After the consumer signs the application, it is returned, generally by facsimile, or, email, to Defendants or an affiliated entity, where an agent or employee of such entity reviews, approves, and, prepares loan documents, then transmitting them back to the consumer.

9. The typical loan document includes a form loan agreement and an authorization form for an electronic transfer. The loan agreement and disclosure agreement set forth the names of the lender and the terms of the loan, stating that the annual rate and finance charge amount, finance total payments, and the amount financed. It includes the options for prepayment of the loan, an extensive arbitration provision, and waiver of jury trial, whereby a borrower waives the right to litigate disputes through the use of the Court. It also includes a waiver in order to participate, join, or, otherwise, seek relief through a class action. The loan agreement does provide an opt-out process, requiring borrower to notify the Defendants within thirty (30) days of the date of the arbitration provision, indicating that they wish to not be bound by same. All the preceding, including the agreement to arbitrate and the waiver of the right, are part of a form document and are not negotiable. The consumer must agree to those terms to obtain the loan.

10. After the consumer signs the loan agreement and transmits it to the Defendants, the entity then arranges the electronic transfer from a bank account through an automatic clearing house into the consumer's checking account. The loan agreement and disclosure statement includes a provision that the consumer agrees to repay the loan on the borrower's next payday by permitting the creditor to debit the amount of the loan from the borrower's account on that day.

11. The cost to the consumer of the payday loan is exorbitant and unconscionable. Generally, Defendants charges \$30.00 for each \$100.00 borrowed. This

typically results in an annual interest rate in excess of 600%. This rate is illegal under New Jersey's usury laws which limits the amount of interest that can be charged on a loan or forbearance of money to 16% (civil usury) and 30% (criminal usury).

12. Consumers such as Plaintiff are low income wage earners who are trying to live paycheck to paycheck without savings or income beyond that needed to pay for basic necessities. As a general rule, by the next paycheck the borrower is not able to repay the loan and the finance charge.

13. The Defendants prey upon this financial circumstance by encouraging the Borrower to "roll over" and extend the payments to the next payday. The "roll over" practice is generally permitted for three (3) successive paychecks. For each roll over, the Defendants charge an additional \$30.00 per \$100.00 finance charge. This additional interest creates a financial sink hole for the consumer, who has limited earnings, and now is required to incur massive financing charges on a minimal loan. The roll over is characterized as a new loan. However, it is not a loan, but a forbearance agreement on the repayment of the initial loan. The roll over is not a new loan, since it does not transmit any new funds to the borrower. To the contrary, it is a method for the lender/Defendants to dramatically increase the financing charges without transfer of any additional funds.

14. As a direct result of this practice, Plaintiff and the class she seeks to represent have been forced to enter unconscionable contracts and are charged illegal usury and finance charges.

15. On January 20, 2009, the Plaintiff requested a loan of \$300.00. Despite only requesting a loan of \$300.00, \$500.00 was deposited into Plaintiff's bank account, such that Defendants could charge interest on the larger amount of principal, than that requested by Plaintiff. In her attempt to receive the original \$300.00 amount of principal, Plaintiff executed a loan agreement requiring total repayment of \$390.00 (\$300.00 principal and \$90.00 finance charge) by February 6, 2009. This amounts to an annual interest rate of 684.375%. Over the course of the next several months, Plaintiff paid

\$750.00 in interest on a loan of \$500.00, despite her request of a loan of only \$300.00. Such amounts based on either amount of principal is usurious and unconscionable and in violation of New Jersey law.

### **CLASS ACTION ALLEGATIONS**

16. Plaintiff seeks to represent a class of all residents of New Jersey, who, within the last six (6) years, have entered into loans with the Defendants which provide for interest rate charges in excess of New Jersey usury limits.

17. Upon information and belief, this class is in excess of 100 persons and as such, joinder of all persons is not practical.

18. There are questions of law or fact common to the class, including:

- (a) whether Defendants are exempt from New Jersey's usury law;
- (b) whether Defendants and/or affiliated entities provide the capital for market, advertise, service, originate and/or collect the payday loans;
- (c) whether Defendants violated New Jersey's usury law;
- (d) whether Defendants violated the New Jersey Consumer Fraud Act by engaging in the conduct alleged herein;
- (e) whether Defendants have acquired money by means unlawful under New Jersey law; and
- (f) whether Defendants should be required to refund all monies acquired by the means alleged.

19. The Plaintiff will fairly and adequately protect the interest of the class. Plaintiff is represented by counsel with experience in class action litigation. Class relief is appropriate since the Defendants have acted or refused to act on grounds generally applicable to the class, thereby making final injunctive relief with respect to the class as a whole, appropriate. Class action is superior because individual actions are not feasible as class members lost small amounts of money; indeed, the only possible way for claims this

small to be litigated is through a class action.

**CLAIMS**

**COUNT I**

**A VIOLATION OF THE NEW JERSEY CONSUMER  
FRAUD ACT, N.J.S.A. 56:8-2, et seq.**

20. The Plaintiff repeats and realleges the allegations contained in the foregoing paragraphs as though fully set forth at length herein.

21. Throughout the period set forth in this Complaint for the reasons set out heretofore Defendants and affiliated entities engaged in unconscionable commercial practices in the conduct of their business, trade, and commerce in violation of the laws of New Jersey.

22. Defendants' unconscionable commercial practice acts, in violation of the law of New Jersey, include, but are not limited to, (a) charging usurious and unconscionable fees for payday loans; (b) repeatedly charging and receiving unlawful usurious and unconscionable interest in connection with making payday loans and forbearance; (c) repeatedly misrepresenting to consumers the source of the capital for the loans and the authority for the collection, ownership and liability of the transactions; (d) failing to clearly and specifically outline the loan, the roll over and any obligations thereunder; (e) demanding from a vulnerable and unsophisticated consumer population that unconscionable contract of adhesion which waives rights to remedies, thereby unconscionably limiting consumer's ability to obtain redress for the conduct described herein; (f) charging interest in excess of the civil usury and criminal usury laws; and, (g) failing to comply with the New Jersey license lender act. The aforesaid conduct violated the rights of the Plaintiff and also similarly situated individuals as set forth under New Jersey law, *i.e.*, the New Jersey Consumer Fraud Act.

23. The Plaintiff and the class she seeks to represent, suffered ascertainable losses as a direct result of the aforesaid wrongful conduct. The Defendants did obtain

money from Plaintiff in the class by means of the unlawful practices alleged herein.

**COUNT II**

**N.J.S.A. 31-1, et seq.**

24. Plaintiff realleges the foregoing paragraphs as though fully set forth herein.

25. Pursuant to New Jersey law, it is unlawful to charge interest rates upon the loan or forbearance of any money, except as provided by law at a rate exceeding that proscribed in *N.J.S.A. 31:1-1*.

26. As stated more fully previously, the Defendants charge and receive interest far in excess of the statutorily permitted amount.

27. Defendants were directly or indirectly engaged in a consumer loan business by negotiating, arranging, or, aiding the borrower or lender in procuring or making loans in the amount of \$15,000 or less, or, in the business of buying or discounting notes and so, were required to be licensed under the New Jersey Licensed Lenders Act, *N.J.S.A. 17:11C-2*.

28. Pursuant to New Jersey Law, *N.J.S.A. 17:11C-32*, Defendants and related entities could not charge an interest rate in excess of that allowed by *N.J.S.A. 31:1-1 et seq.* unless they were licensees under the Licensed Lenders Act. All Defendants are subject to New Jersey law, *N.J.S.A. 17:10-2*.

29. Insofar as Plaintiff can ascertain, none of the Defendants are licensed under New Jersey law, *N.J.S.A. 17:11C-2*.

30. The Plaintiff and the class which she seeks to represent have been injured as set out previously by this violation.

31. The Plaintiff and the class represented, suffered economic loss and injury as a direct result of the aforesaid conduct.

**WHEREFORE**, Plaintiff, individually and on behalf of all others similarly situated,

demands judgment against the Defendants, as follows:

- a. Certifying this action as a class action on behalf of the proposed class and designated Plaintiff as representative of the class;
- b. Finding the Defendants' conduct as alleged herein constitutes a violation of the New Jersey Consumer Fraud Act;
- c. Finding that Defendants' conduct alleged herein constitutes a violation of the New Jersey Usury Statutes;
- d. Awarding Plaintiff and class members damages, including treble damages, pursuant to *N.J.S.A. 56:8-19*;
- e. Awarding the Plaintiff and the class members damages, including treble damages, pursuant to *N.J.S.A. 2C:41-2*;
- f. Ordering Defendants to refund all monies obtained by reason of their violation of the New Jersey Consumer Fraud Act, pursuant to *N.J.S.A. 56:8-2-11*;
- g. Awarding attorney's fees, interest and costs of suit;
- h. Awarding Plaintiff prejudgment interest, compounded daily;
- i. Entering an Order enjoining the Defendants from the unlawful conduct alleged herein; and,
- j. For such other relief as the Court may deem equitable and just.

**LANE M. FERDINAND PC**  
Attorneys for Plaintiff


By:   
STEVEN M. WEISBROT

DATED:

**JURY DEMAND**

Demand is hereby made for a trial by jury as to all issues.

**LANE M. FERDINAND PC**

By:   
STEVEN M. WEISBROT

DATED:



**CERTIFICATION**

It is hereby certified that to the best, present knowledge of counsel for Plaintiff, that the matter in controversy which is the subject of this litigation involving the named parties hereto, is not the subject matter of controversy in any other pending litigation or arbitration proceeding, and to the best of my knowledge and belief no other action or arbitration proceeding is contemplated.

To the best of my knowledge, information and belief, there may be other parties to be joined in this action presently identified as John Doe and John Roe defendants. I recognize my continuing obligation to file and serve on all parties and the Court an amended certification if there is a change in the facts stated herein.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are wilfully false, I am subject to punishment.

  
\_\_\_\_\_  
STEVEN M. WEISBROT

DATED:

**DESIGNATION OF TRIAL ATTORNEY**

Pursuant to R. 4:2;5-5 **Steven M. Weisbrot** is hereby designated as trial counsel on behalf of Plaintiffs.

**LANE M. FERDINAND PC**

BY:   
\_\_\_\_\_  
STEVEN M. WEISBROT

DATED:

DATED