

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF GEORGIA**

**JASON M. COX, Individually, and
on behalf of all others similarly
situated**

Plaintiffs,

vs.

**COMMUNITY LOANS OF
AMERICA, INC., ALABAMA
TITLE LOANS, INC., JOHN DOE
CORPORATIONS 1 - 900, and
JOHN DOE 1 – 10,**

Defendants,

CIVIL ACTION NO.

4:11-CV-177-CDL

CLASS ACTION

**VERIFIED COMPLAINT FOR DAMAGES
AND CORRESPONDING REQUEST FOR DECLARATORY AND
INJUNCTIVE RELIEF**

Plaintiff, JASON M. COX, brings this action for declaratory, injunctive, and compensatory relief, including punitive damages, with the intent to stop and deter the Defendants from making title loans to, and repossessing the vehicles pledged as

security from, service members in violation of the MLA. In support of the action, COX shows this Court as follows:

PRELIMINARY STATEMENT

This action implicates Defendants' practice of making vehicle "title loans" to active duty service members and their dependents in violation of the Military Lending Act of 2007 ("MLA"), which, among other practices, prohibits creditors from charging more than 36% APR and requiring service members to pledge the title to the vehicle as security of the loan. As exemplified by the title loans of Jason Cox, Defendant Alabama Title Loans provided an initial title loan of \$3,000.00, secured by the title to his 2002 Dodge Durango, with an APR exceeding the permissible interest rate by more than three fold. After repeatedly rolling over, renewing and/or refinancing the loan over the course of many months with interest rates exceeding the limits imposed by the MLA, the balance owed by Cox had escalated to more than \$4,500.00. When Cox could no longer afford to keep renewing the title loan, Defendants repossessed the vehicle from his base housing, located on the Ft. Benning Military Reservation in Columbus, Georgia. Plaintiff asserts Counts I – V in his individual capacity, and seeks class certification of

Counts II & VI under Fed. R. Civ. P. Rule 23(b)(1)(B) and (b)(2) for declaratory, injunctive and equitable relief.

JURISDICTIONAL AND VENUE ALLEGATIONS

1. The jurisdiction of this Court in is invoked under the Military Lending Act of 2007, 10 U.S.C.A. § 987, and 28 U.S.C. §§ 1331, 1332(d)(2) and 1337.

2. The matter in controversy exceeds the sum of \$5,000,000, exclusive interest and costs, and proposes two counts for class action treatment in which any member of the proposed class of plaintiffs is a citizen of state different from any defendant.

3. Jurisdiction of this Court for the pendant claims is authorized by 28 U.S.C. § 1367 and Fed. R. Civ. P. 18(a).

4. Plaintiff, Jason M. Cox (“Jason Cox”), is a full-time active-duty member of the United States Army since October 2000, having earned the rank of an E-6 Staff Sergeant and currently residing with his family on post at Ft. Benning Military Reservation, in Muscogee County, Georgia.

5. Defendant Community Loans of America, Inc., (“CLA”) is a Georgia corporation with its principal place of business located in the state of Georgia at 8601 Dunwoody Place, Suite 406, Atlanta, Fulton County, Georgia 30350.

6. CLA has a national presence, owning, operating and orchestrating the practices of more than 900 title loan stores through JOHN DOE CORPORATIONS 1 – 900 in 22 states and Puerto Rico, including forty-four (44) locations in Georgia, at least four (4) of which are located in Muscogee County Georgia, and in close proximity to Ft. Benning Military Reservation.

7. CLA may be served with process through its registered agent as follows: CT Advantage, 1201 Peachtree Street, N.E., Atlanta, Fulton County, Georgia 30361.

8. Defendant Alabama Title Loans, Inc. (“ATL”) is an Alabama corporation wholly owned by Defendant CLA, but has its principal place of business in the state of Georgia, located at the same address as CLA, to wit: 8601 Dunwoody Place, Suite 406, Atlanta, Fulton County, Georgia 30350.

9. Pursuant to the corporate policies and procedures established and orchestrated by CLA, ATL conducts title lending operations at Forty-Nine (49) locations in Alabama, including one storefront location at 1003 Highway 280 Bypass, Phenix City, Alabama 36867, which is in close proximity to the Fort Benning Military Reservation at issue in this case.

10. ATL may be served with process through its registered agent as follows:
The Corporation Company, 2000 Interstate Park Drive, Montgomery, Montgomery
County, Alabama, 36109-5421.

11. JOHN DOE CORPORATIONS 1-900 are as yet unidentified title loan stores operating in 22 states and Puerto Rico which are either wholly owned subsidiaries of Defendant CLA, or affiliates of Defendant CLA in which CLA has a management relationship with to operate in the several states. (See Exhibit A, attached for a preliminary list of stores.) These JOHN DOE CORPORATIONS are typically organized under the laws of the state in which they conduct most or all of their business. CLA provides management services to the JOHN DOE CORPORATIONS under the terms of a management agreement and has the authority to act on the JOHN DOE CORPORATIONS' behalf in the matters at issue in this civil action. When these JOHN DOE CORPORATIONS become identified, they will be added through amendment and served as required by law.

12. JOHN DOE 1-10 are as yet unidentified persons who are the principals or individual aiding and abetting CLA in the violations complained of in this suit. When these JOHN DOEs become identified, they will be added through amendment and served as required by law.

13. On August 10, 2011, Defendants CLA and ATL, through their established corporate policies, procedures and practices, repossessed Jason Cox's 2002 Dodge Durango from his military housing located at 5395 Spearhead Avenue, Ft. Benning, Georgia, located in Muscogee County. A copy of the papers effecting the repossession of Jason Cox's 2002 Dodge Durango are attached hereto as "Exhibit B."

14. Because the act of repossession occurred in Muscogee County within the federal property of the Ft. Benning Military Reservation, venue of this Court is proper as to all parties pursuant to 28 U.S.C. § 1391(b)(2) & (c) and 18 U.S.C. § 1965(a).

GENERAL ALLEGATIONS

The Military Lending Act of 2007, 10 U.S.C. § 987

15. The United States Congress passed the Military Lending Act of 2007 (hereinafter "MLA"), which affords special protections to active duty service members and their dependents concerning the consumer credit transactions at issue in this case.

16. The MLA prohibits creditors from extending consumer credit to covered members of the armed forces with an annual percentage rate of interest (“APR”) of more than thirty-six percent (36%).

17. The MLA prohibits creditors from extending consumer credit to covered members of the armed forces in which the creditor rolls over, renews, repays, refinances, or consolidates previous credit transactions by the same creditor.

18. The MLA prohibits creditors from extending consumer credit to covered members of the armed forces in which the creditor requires a title of a vehicle to be pledged as security for the extension of credit.

19. The MLA prohibits creditors from enforcing arbitration against covered members and their dependents.

20. The MLA declares that any credit agreement, promissory note, or other contract made in violation of the MLA is void from inception.

21. Jason Cox is a “Covered Borrower” subject to the requirements and limitations imposed by the MLA.

22. The underlying pawn transactions at issue in this case constitute “Consumer Credit” subject to the requirements and limitations imposed by the MLA.

23. Defendants are a “Creditor” subject to the requirements and limitations imposed by the MLA in that they:

- (a.) Engage in the business of extending consumer credit covered by the MLA;
- (b.) Provide and/or receive management services related to the business of extending consumer credit covered by the MLA; and
- (c.) Create, open and/or maintain bank accounts to conduct the business of extending consumer credit covered by the MLA.

The Consumer Credit Transactions And Repossession of the Vehicle

24. At all times material hereto Defendant CLA established, orchestrated and directed ATL’s operations as a wholly owned subsidiary pertaining to the title loans at issue in this case, either making the loans directly, or providing ATL with the approval to make the loan to Cox, supplying the loan documents used to memorialize the loan, and guarantying funding for the loan itself.

25. On or about July 1, 2010, Plaintiff Jason Cox entered into a vehicle title loan transaction with an ATL storefront located at 1003 Highway 280 Bypass, Phenix City, Alabama 36867, for the principal amount of \$3,000.00, repayable

within approximately thirty (30) days, and coinciding with the date of his military pay date.

26. In entering the initial title loan, Jason Cox presented a Georgia Military ID, establishing that he was an active duty member of the United States Army.

27. As a condition to obtain the initial title loan, Cox was required to provide and relinquish the title to his 2002 Dodge Durango, bearing Vehicle Identification Number 1B4HS48N42F196509.

28. As a condition of making the initial title loan, Jason Cox was charged an interest rate exceeding more than three times the 36% APR authorized by the MLA.

29. The initial title loan was rolled over, renewed and/or refinanced multiple times from its inception through June 1, 2011, each time with an interest rate exceeding more than three times the 36% APR authorized by the MLA.

30. The documents in Cox's possession memorializing the consumer credit transactions at issue in this case are attached hereto as "Exhibit C."

31. None of the documents memorializing the title loan and extensions thereof provided Cox with any disclosures that as an active duty of the military he

was entitled to important protections affecting his rights, including the maximum limitation of 36% APR, as required by the MLA and implementing regulations.

32. Defendants made no verbal disclosures to Cox that as an active duty of the military he was entitled to important protections affecting his rights, including the maximum limitation of 36% APR, as required by the MLA and implementing regulations.

33. In order to prevent his 2002 Dodge Durango from being repossessed, Cox made all payments required of him through June 1, 2011.

34. On June 30, 2011, Cox could not afford to and did not pay the balance due in order to obtain the title to the vehicle.

35. Prior to COX's default on June 30, 2011, Defendants had already transferred ownership COX's vehicle, which was pledged as security for the loan.

36. On June 30, 2011, Cox could not afford to and did not make the interest and finance payment required to rollover, renew or refinance the loan another thirty (30) days.

37. After Cox failed to make a payment when due, Defendants made repeated collection calls for the unpaid balance of the title loan, declaring Cox to

be in default of his obligation to repay the title loan and threatening repossession if Cox did not make further payments.

38. On August 10, 2011, Cox received a phone call from a Lieutenant at the Ft. Benning Provost Marshall's office, ordering Cox to surrender the keys to the 2002 Dodge Durango pursuant to a repossession order presented by Defendants' repossession agent, PAR North America, in Carmel, Indiana.

39. Because a Lieutenant outranks a Staff Sergeant and violating a superior officer's order is a violation of the Uniform Code of Military Justice, Cox delivered the keys to the Ft. Benning Military Police Station as instructed and required by the Lieutenant.

40. After the keys were delivered, the Ft. Benning Provost Marshall's office escorted Defendants' repossession agent to Cox's military base housing, where the vehicle was seized and driven away.

41. The repossession of Cox's vehicle was wrongful under the MLA and Georgia law.

COUNT I

DECLARATORY RELIEF UNDER 28 U.S.C. §§ 2201, 2202

42. Individually, Plaintiff Cox re-alleges and incorporates by reference the above-enumerated paragraphs of the Complaint as though fully restated herein.

43. There exists an actual, present and justiciable controversy between Plaintiff Cox and the Defendants CLA and ATL concerning their respective rights and duties under the consumer credit transactions at issue in this case.

44. Defendants CLA and ATL violated Plaintiff Cox's individual rights under the MLA by entering into an unlawful vehicle title loan transaction and thereafter wrongfully repossessing Cox's 2002 Dodge Durango pledged as security for the title loan.

45. Individually, Plaintiff Cox requests the Court to declare that the underlying title loan transactions entered into with Defendants CLA and ATL are consumer credit transactions subject to the protections and limitations of the MLA.

46. Individually, Plaintiff Cox requests the Court to declare that the vehicle title loan extended to him, and all renewals thereafter, were unlawful and void from inception.

47. Individually, Plaintiff Cox requests the Court to declare that the arbitration agreements contained his vehicle title loan documents is unenforceable.

48. Individually, Plaintiff Cox requests the Court declare that the repossession of his 2002 Dodge Durango pledged as security for the underlying title loans was wrongful, and that Cox is entitled to have his vehicle returned, free and clear of any encumbrance associated with the title loan or its repossession.

49. This controversy is ripe for judicial decision, and declaratory relief is necessary and appropriate so that the parties may know the legal obligations that govern their present and future conduct and the merit of this litigation.

COUNT II
VIOLATION OF THE MLA

50. Plaintiff Cox re-alleges and incorporates by reference the above-enumerated paragraphs 1 – 44 of the Complaint as though fully restated herein.

51. In accordance with the requirements of the Class Action Fairness Act (“CAFA”), and Fed. R. Civ. P. Rule 23(b)(1)(B) & (b)(2), Plaintiff Cox asserts this Count for violations of the MLA on behalf of himself and all others similarly situated against all Defendants named herein.

52. Defendants unlawfully made, extended, rolled over, renewed and/or refinanced vehicle title loans to Plaintiff Cox and the class members, by imposing

annual percent rates of interest of exceeding more than three times the maximum statutory limit of 36% APR, as provided under the MLA.

53. Defendants violated the MLA by requiring Cox and the class members to pledge the title to their vehicles as a condition for making title loans.

54. Defendants violated the MLA by failing to provide Plaintiff Cox and the class members with a covered borrower identification statement, a Military Annual Percentage Rate (“MAPR”) disclosure, and failing to provide Plaintiff Cox and the class members with oral and written notice of their rights under the MLA before consummating the extension of the unlawful vehicle title loan transactions at issue in this case.

55. Defendants violated the MLA by inserting an arbitration agreement in the loan documents.

56. Plaintiff Cox and the class members suffered substantial and irreparable harm proximately caused by Defendants named herein as a result of their violations of the MLA.

COUNT III
WRONGFUL REPOSSESSION -- BREACH OF STATUTORY DUTY

57. Plaintiff Cox re-alleges and incorporates by reference the above-enumerated paragraphs of the Complaint as though fully restated herein.

58. Individually, Plaintiff Cox brings this action to recover damages for Defendants breach of a legal duty owed by virtue of the requirements in the MLA and by virtue of O.C.G.A. §§ 51-1-6 & 51-1-8.

59. Defendants CLA and ATL violated their legal duties and obligations by making a title loan to a covered member in violation of the MLA.

60. Defendants CLA and ATL violated their legal duties and obligations by wrongfully ordering repossession of the vehicle pledged as security for making the loan in violation of the MLA.

61. Defendants CLA and ATL violated their legal duties and obligations by repossessing the vehicle that was pledged as security for loan that was void from inception.

62. Defendants CLA and ATL violated applicable provisions of the MLA and their legal duties to Cox by committing the following acts:

- (a.) Requiring Cox to pledge the title as security to the Consumer Credit transactions at issue in this case;

- (b.) Imposing an interest rate exceeding 36% APR on the Consumer Credit transactions at issue in this case;
- (c.) Rolling over, renewing and/or refinanced the initial title loan and imposing each time an interest rate exceeding 36% APR; and,
- (d.) Wrongfully repossessing the vehicle pledged as security as a condition to make the underlying title loans.
- (e.) Wrongfully repossessing the vehicle pledged as security for a loan that was void from inception.

63. The harm of which Plaintiff complains is exactly the harm the Congress intended these laws to guard against in enacting the MLA – the prohibition of title loans that do not comply with the requirements and limitations listed therein. The precise object of these laws was the prevention of the exact damage sustained by the Plaintiff by unscrupulous lenders like Defendants. In fact, these laws expressly contemplate that title loans made in violation of the MLA are “void from inception” and all persons knowingly making loans in violation of the MLA are subject to a fine, imprisonment not more than one year, or both.

64. The actions of Defendants CLA, ATL and JOHN DOE’s 1-10 in making the loans to Cox and others in violation of the MLA, and then repossessing

the vehicle pledged as security for the loans, were willful and intentional, rather than inadvertent or by mistake, and demonstrate the requisite elements willful misconduct, malice, fraud, wantonness or oppression, or that entire want of care which would raise the presumption of a conscious indifference to consequences that supports award for punitive damages, which is hereby claimed.

65. Defendants' violations of the MLA and the wrongful repossession of Cox's 2002 Dodge Durango proximately caused substantial damage to Plaintiff Cox, which he is entitled to recover.

COUNT IV
UNJUST ENRICHMENT/MONEY HAD AND RECEIVED

66. Plaintiff Cox re-alleges and incorporates by reference the above-enumerated paragraphs of the Complaint as though fully restated herein.

67. Through the receipt of exorbitant interest charges imposed on the subject title loan transactions at issue in this case, Defendants CLA and ATL have been unjustly enriched through the receipt of Plaintiff Cox' payments of such sums, which, in equity and good conscience, they ought not to retain.

68. Plaintiff Cox has paid, and Defendants CLA and ATL have received, money representing payments on unlawful loans, unlawful fees and illegal interest

charges for vehicle title loans which, in equity and good conscience, they have no right to retain.

69. Plaintiff Cox is entitled to a return of the monies he paid on such illegal loans, plus interest thereon.

COUNT V
VIOLATION OF RICO

70. Plaintiff Cox re-alleges and incorporates by reference above-enumerated paragraphs of the Complaint as though fully restated herein.

71. In making, approving, processing, renewing and collecting on the title loans to Cox, Defendants CLA, ATL and JOHN DOE's 1-10 associated formally or informally to engage in conduct of an enterprise through a pattern of racketeering activity.

72. The title loans made to Plaintiff Cox by Defendants CLA and ATL are unlawful and void from inception in one or more of the following ways:

- (a.) They were at least twice the maximum permissible APR authorized by the MLA;
- (b.) They required Cox to pledge the title to his vehicle as security;
- (c.) They were rolled over, renewed and/or refinanced multiple times imposing each time an interest rate exceeding 36% APR;

(d.) They constitute an unlawful debt as defined by 18 U.S.C. § 1961(6).

73. The Defendants CLA, ATL and JOHN DOE's 1-10 are "persons" as they are individuals or entities capable of holding a legal beneficial interest in property, as defined in 18 U.S.C. § 1961(3).

74. The Defendants CLA, ATL and JOHN DOE's 1-10 constitute an "enterprise" as they are individuals, partnerships, corporations, associations, or other legal entities, unions or groups associated in fact, as defined by 18 U.S.C. §1961(4), related to the following activities:

- (a.) Engaging in and directing the business of extending consumer credit covered by the MLA;
- (b.) Providing and/or receiving management services for the purpose of extending consumer credit covered by the MLA;
- (c.) Creating, opening and/or maintaining bank accounts for the purpose of conducting the business related to the extension of consumer credit covered by the MLA; and
- (d.) Collection of debts rendered "void from the inception" pursuant to 18 U.S.C. § 987(f)(3); and

(e.) Repossessing a vehicle pledged as security for an unlawful debt pursuant to 18 U.S.C. § 987(f)(3).

75. The Defendants CLA, ATL and JOHN DOE's 1-10 have received income derived, directly and indirectly, through the collection of unlawful debts in which they have acted as a principal to use the income in the operation their enterprise which affects interstate commerce in violation of 18 U.S.C. § 1962(a)

76. The Defendants CLA, ATL and JOHN DOE's 1-10 maintain an interest in their enterprise through the collection of unlawful debts, which affect interstate commerce in violation of 18 U.S.C. § 1962(b).

77. The JOHN DOE 1 – 10 Defendants are employed by or associated with the enterprise described herein and conduct or participate, directly or indirectly, in the conduct of the enterprise's affairs through a pattern of racketeering activity and collection of an unlawful debt in violation of 18 U.S.C. § 1962(c).

78. Defendants CLA, ATL and JOHN DOE's 1-10 have jointly planned, conspired, orchestrated, participated and acted in concert to harm Plaintiff by engaging in the business of making, rolling over, renewing and/or refinancing title loans to covered service members and their dependents with illegal terms under federal law, in violation of 18 U.S.C. § 1962(d).

79. Defendant CLA and JOHN DOE's 1-10 maintain computerized systems and servers and implement the policies, processes and procedures of each and every vehicle title loan made by Defendants, including the ones made to Cox.

80. Defendant ATL transmitted Cox's loan applications over the wires, reporting each time that he was an active-duty member of the military at the time of the loan transactions.

81. Defendant CLA approved Plaintiff Cox's title loan transactions over the wires and transmitted that approval to Defendant ATL.

82. Despite that CLA had information that Plaintiff Cox was an active duty member of the military, it still approved the title loan transactions.

83. Defendants CLA, ATL and JOHN DOE's 1-10 knew that Plaintiff Cox was being charged a rate of interest for the title loan transactions in excess of seventy-two percent (72%).

84. Defendants CLA, ATL and JOHN DOE's 1-10 knew that Plaintiff Cox was an active-duty member of the military, knew that the interest rates and other terms and conditions of this title loans were unlawful, and still ordered the repossession of Cox vehicle directly from a United States military base.

85. At all times material hereto Defendants CLA, ATL and JOHN DOE's 1-10 acted as co-conspirators with respect to the acts or steps taken by each of them in connection with the events described or referred to herein, acted as the agent of the other pursuant to a common goal or scheme to carry out the wrongful patterns of conduct alleged herein in order to increase their profits.

86. The actions of Defendants CLA, ATL and JOHN DOE's 1-10 as described herein proximately caused the injuries and damages sustained by Plaintiff Cox and are therefore liable for the acts of each other both corporately and individually.

87. The actions of Defendants CLA, ATL and JOHN DOE's 1-10 in charging over twice the amount of legal interest under the MLA are prohibited by 18 U.S.C. § 1962.

88. Plaintiff Cox has been injured by the Defendants CLA, ATL and JOHN DOE's 1-10 in violation of 18 U.S.C. § 1962.

89. Plaintiff Cox is entitled to recover against Defendant CLA, ATL and JOHN DOE's 1-10 trebled damages, the costs of bringing this lawsuit, and reasonable attorney's fees as outlined in 18 U.S.C. § 1964(c).

90. Plaintiff Cox's responses to the Court's mandatory RICO INTERROGATORIES required under Local Rule 33.3 are incorporated herein by reference as if fully restated and attached as Exhibit D.

COUNT VI
DECLARATORY AND INJUNCTIVE RELIEF TO BENEFIT ALL
COVERED MEMBERS OF THE ARMED FORCES

91. Plaintiff Cox re-alleges and incorporates by reference the above-enumerated paragraphs 1 through 41 and 50 through 56 of the Complaint as though fully restated herein.

92. In accordance with the requirements of the Class Action Fairness Act ("CAFA"), and Fed. R. Civ. P. Rule 23(b)(1)(B) & (b)(2), Plaintiff Cox asserts this Count for declaratory, injunctive and equitable relief on behalf of himself and all others similarly situated against all Defendants named herein for the sole purpose of preserving the status quo pending the conclusion of litigation and stopping and preventing Defendants from making title loans to covered members of the armed services and their dependents that do not comply with the requirements, limitations and disclosures imposed by the MLA.

93. Defendants have created uniform and automated computer systems and procedures with a central data center to process vehicle title loans made in at least

22 different states and Puerto Rico. This computerized system uniformly processes and tracks each and every vehicle title loan at issue in the same manner and according to the same automated rules and processes, making Class Action treatment far superior to hundreds or thousands individual claims.

94. As a result of Defendants' acts of extending unlawful and void vehicle title loans in violation of the MLA, Plaintiff Cox and other military service members and their dependants have been deprived of the rights and legal duties imposed by the MLA and, if Defendants' conduct is permitted to continue, Plaintiff and those similarly situated will continue to suffer immediate and irreparable harms.

95. The members of the proposed class for this Count would benefit from the declaratory and injunctive relief sought and any monetary relief is incidental to the relief that might be obtained.

96. There exists an actual, present and justiciable controversy between Plaintiff Cox and the class members and the Defendants named herein, concerning their respective rights and duties under the standardized and uniform consumer credit transactions at issue in this case.

97. As Defendant CLA has a national presence and congregates operations in at 22 other states and Puerto Rico, many of which are in close proximity to military bases and installations across the country like Ft. Benning Military Reservation in Muscogee, County Georgia, and to preserve the status quo, Plaintiffs are entitled to a preliminary injunction restraining Defendants from the following activities, which include but are not necessarily limited to:

- (a.) Making vehicle title loans in violation of the MLA and its implementing regulations;
- (b.) Collecting on any loans made in violation of MLA and its implementing regulations;
- (c.) Repossessing vehicles pledged as security for title loans made in violation of the MLA and its implementing regulations; and
- (d.) Selling or otherwise disposing of vehicles that have been repossessed from “covered members” of the armed services.

98. Plaintiff and the proposed class meet the requisite elements necessary for a preliminary injunction on the grounds establishing: (1) there exists a substantial likelihood that Plaintiff and the class will ultimately prevail on the merits; (2) plaintiff and unnamed members of the class will suffer irreparable

injury unless the preliminary injunction issues to preserve the status quo while the case is pending; (3) the threatened injury to the unnamed class members outweighs any damage the proposed injunction may cause Defendants; and (4) the injunction, if issued, would not disserve the public interest.

99. Following a decision on the propriety of class certification, Plaintiff and the class members seek a permanent injunction ordering Defendants to:

- (a.) Cease making vehicle title loans in violation of the MLA and its implementing regulations;
- (b.) Cease collection on any loans made in violation of MLA and its implementing regulations;
- (c.) Cease repossessing vehicles pledged as security for title loans made in violation of the MLA and its implementing regulations; and
- (d.) Return the monies wrongfully collected from covered members and their dependents as a result of making loans in violation of the MLA and its implementing regulations.

100. While the exact number of class members is unknown at this time, it is believed that there are thousands of covered service members of the armed

forces who currently have or may obtain title loans from Defendants in violation of the MLA.

101. This Count of the Complaint poses questions of law and fact that are common to and affect the rights of all the members of the Class.

102. Based on the facts and circumstances set forth herein, the Plaintiff's claims are typical of the claims of the members of the Class.

103. The same common questions of fact and law exist as to all members of the Class and such questions clearly predominate over any questions solely affecting any individual member of the Class. Among the questions of law and fact common to the Class are the following, without limitation:

- (a.) Whether the Defendants' business practices of making title loans to covered service members of the armed services are consumer credit transactions covered by the MLA;
- (b.) Whether the Defendants are creditors within in the meaning and intent of the MLA and its implementing regulations;
- (c.) Whether the standardized forms and corporate policies, practices and procedures used by Defendants to make and memorialize title pawn

lending transactions to covered members of the armed services contain the necessary information and/or disclosures required by the MLA;

- (d.) Whether Defendants may require covered members of the armed services to provide their vehicle title as security for a title loan;
- (e.) Whether Defendants may repossess the vehicles pledged by covered members of the armed services as security for title loans;
- (f.) Whether Defendants should be enjoined from making title loans to covered members of the armed services that do not comply with the requirements of the MLA;
- (g.) Whether Defendants should be compelled to adjust their standardized pawn agreement, loan terms and disclosures to meet the requirements of the MLA;
- (h.) Whether the arbitration agreement contained in Defendants standardized pawn agreement and disclosures agreement can be enforced against covered members of the armed services; and
- (i.) Whether a declaratory judgment and injunction against Defendants should be given res judicata effect for title loan transactions made to

any and all covered members of the armed services from October 1, 2007;

104. Class certification for this Count of the Complaint is superior to the alternatives, if any, for the fair and efficient adjudication of the controversy alleged herein, because such treatment will preserve the ability of covered members of the armed services to recover individual consequential damages as expressly intended by Congress and permit a large number of similarly-situated persons to economically obtain a declaratory ruling as to the legality of their underlying vehicle title loans, which Defendants have already made or might make in the future.

105. Defendants' conduct manifests a class-wide, uniform scheme.

106. Through the acts and practices set forth and alleged herein, the Defendants have engaged in a continuing and pervasive course of conduct to mislead and deceive members of the Class and, in doing so, have damaged each class member.

107. Based on the facts and circumstances set forth herein, the Plaintiff will fairly and adequately protect and represent the interests of each member of the Class.

108. The claims of Jason M. Cox are so similar in nature to the expected claims held by other covered members of the armed services and their dependents who have entered into similar transactions with Defendants as to suggest a strong commonality and typicality between the claims.

109. Plaintiff Cox knows of no difficulty likely to be encountered in the management of this Count that would preclude its maintenance as a class action.

110. Plaintiff Cox has agreed to represent the interests of the absent class members and has retained the law firms of The Barnes Law Group, LLC and Day|Crowley LLC. These firms and their attorneys are experienced in class actions and other complex litigation involving, among others, issues pertaining to service member rights and litigation. As a result, the Barnes Law Group, LLC and Day|Crowley LLC are qualified and experienced attorneys who will adequately represent and protect the interests of the class.

111. As a direct and proximate result of the Defendants' unlawful practices, the Plaintiff and class members he seeks to represent have suffered damages and will continue to suffer irreparable loss and injury.

Plaintiff Class and Subclasses

112. The Plaintiff brings Counts II and VI of this Count of the Complaint on behalf of himself and all others similarly situated pursuant to CAFA and Fed. R. Civ. P. 23(b)(1)(B) and (b)(2) as representatives of a Nation-wide Class defined as:

All covered members of the armed services who entered into a vehicle title loan by any means with Defendants in violation of the Military Lending Act from October 1, 2007 to the date of class certification, divided into the following subclasses;

- (1) Any regular or reserve member of the Army, Navy, Marine Corps, Air Force, or Coast Guard, serving on active duty under a call or order that does not specify a period of 30 days or fewer, or such a member serving on Active Guard and Reserve duty; and
- (2) The covered member's spouse, child, or an individual for whom the member provided more than one-half of the individual's support for 180 days immediately preceding an extension of consumer credit covered by the MLA.

WHEREFORE Plaintiff Cox prays for judgment against the Defendants, jointly and severally, as follows:

- a. For a declaration that the title loans of Plaintiff Jason Cox are unlawful and void from inception;
- b. For a temporary and permanent injunction to:

- (1.) Cease making vehicle title loans in violation of the MLA and its implementing regulations;
- (2.) Cease collection on any loans made in violation of MLA and its implementing regulations;
- (3.) Cease repossessing vehicles pledged as security for title loans made in violation of the MLA and its implementing regulations;
and
- (4.) Return the monies wrongfully collected from covered members and their dependents as a result of all loans made in violation of the MLA and its implementing regulations.

d. For the recovery of compensatory damages by Jason Cox against Defendants CLA and ATL in an amount to be determined by the enlightened conscience of a jury, at trial together with interest thereon, plus special, consequential, and incidental damages (trebled);

e. For recovery of costs and reasonable attorneys' fees for the value of the legal services provided;

f. For punitive damages in an amount sufficient to punish and deter Defendants from engaging in the lending practices that violate the MLA;

- e. For a trial by jury; and
- f. For such other and further relief that the Court deems just and proper.

RESPECTFULLY SUBMITTED this the 11th day of November 2011.

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