

3. Respondent The Money Tree, Inc. has engaged in the business of offering "consumer credit" to the public and is a "creditor" as those terms are defined in the Truth in Lending Act and Regulation Z.
4. Respondent The Money Tree, Inc. makes short-term installment loans to primarily low-income consumers. The loans are often for amounts between \$150 and \$400.
5. The acts and practices of respondents alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act.

Count I: Truth in Lending Act

6. Respondent The Money Tree, Inc., in the course and conduct of its business, has, on numerous occasions, required consumers to purchase a combination of credit-life, credit accident and health, credit accident and sickness, or accidental death and dismemberment insurance and/or an auto club membership (collectively referred to as "the extras") in connection with an extension of credit. On average, The Money Tree, Inc.'s customers paid approximately \$80.00 for the extras, plus interest.
7. Respondent The Money Tree, Inc. has not included the cost of the extras in the finance charge and the annual percentage rate disclosed to consumers, and has wrongfully included the cost of the extras in the amount financed disclosed to consumers.
8. Respondent The Money Tree, Inc.'s aforesaid acts and practices violate Sections 106, 107, and 128 of the TILA, 15 U.S.C. §§ 1605, 1606, and 1638, as amended, respectively, and Sections 226.4, 226.4(d), 226.22 and 226.18(b), (d) and (e) of Regulation Z, 12 C.F.R. §§ 226.4, 226.4(d), 226.22 and 226.18(b), (d) and (e), respectively, and constitute unfair and deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count II: Section 5 of the FTC Act

9. Respondents The Money Tree, Inc. and Vance R. Martin, in the course and conduct of their business, have, on numerous occasions, in connection with extensions of credit, induced consumers to execute statements indicating that they have voluntarily chosen certain "extras"

11. Therefore, the acts and practices of respondents alleged in Paragraph 10 were, and are, unfair or deceptive in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count III: Fair Credit Reporting Act

12. For purposes of this count, the terms "consumer," "consumer report," and "consumer reporting agency" are defined as set forth in Sections 603(c), (d) and (f), respectively, of the Fair Credit Reporting Act, 15 U.S.C. § 1681a(c), (d) and (f).

13. Respondents The Money Tree, Inc. and Vance R. Martin, in the course and conduct of their business, have, on numerous occasions when respondents have denied credit to a consumer either in whole or in part because of information contained in a consumer report from a consumer reporting agency, failed to:

- a. advise the consumer, at the time when the consumer was informed of such adverse action, that the adverse action was based in whole or in part on information contained in a consumer report; and
- b. supply the consumer with the name and address of the consumer reporting agency that furnished the consumer report.

14. Respondents' aforesaid acts and practices violate Section 615(a) of the FCRA, 15 U.S.C. § 1681m(a). Pursuant to Section 621 of the FCRA, 15 U.S.C. § 1681s, respondents' violations of the FCRA constitute unfair or deceptive acts and practices, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

THEREFORE, the Federal Trade Commission this twenty-eighth day of April, 1997, has issued this complaint against respondents.

By the Commission.

Donald S. Clark
Secretary