

MINUTES OF THE ANNUAL MEETING
OF THE MODERN FINANCIAL SERVICES ASSOCIATION OF ALABAMA

The Annual Membership Meeting of the Association was held in Birmingham on Tuesday, May 17, 2011, pursuant to notice dated April 8, 2011. The meeting drew approximately 13 member-companies.

James Conaway, Vice President of the Association, presided and welcomed the attendees. The first order of business to come before the meeting was a report from the Association's Director, Maury Shevin. Mr. Shevin first shared the anti-trust policy statement. He then reported that the Association currently has 35 member-companies representing 457 stores and two associate members. Membership continues to fall from 49 members in 2009 to 40 members in 2010 and now 35 members. While the number of members is down, the number of stores represented by the Association has increased from 445 stores in 2010 to 457 stores in 2011. Members are entitled to vote, but associate members are not. All Board members and officers serve without pay.

Mr. Shevin next gave the Treasurer's Report in the absence of the Treasurer, Bill Smith. Total dues collected for the year are \$37,200. The bank balance currently stands at \$33,744.56.

The next order of business was the election of the Board of Directors, based upon the Nominating Committee Report attached to the notice of the meeting. Upon motion duly made and seconded, the Nominating Committee Report was accepted without amendment. The membership then voted to elect the following members to serve on the Association's Board of Directors for the ensuing year:

Dawn Morrow – Advance America
James Chamblee – Mr. Money
Buck Wilson – Cash Mart, Inc.
James Conaway – Fast Cash
Shanna Wycoff – Axxcess Financial
Beverly Ward – Cash USA, Inc.
Charles Hunter – The Money Store
Bill Smith – Insight Capital
Meredith Broyles – Check Into Cash

The Directors then met briefly to elect officers for the Association. Those elected were:

James Chamblee – President
James Conaway – Vice President
Bill Smith – Treasurer
Beverly Ward – Secretary

Mr. Conaway then asked if there was any new business. There being none, the meeting recessed.

Following the coffee break, Derek Ganter, IRS Bank Secrecy Act Specialist for the Southeast Region, spoke about money service businesses, payday lending and other financial services' products. Mr. Ganter shared information including an 800 number that those being examined or audited can call with respect to any questions. Mr. Ganter covered currency transaction reports, money laundering programs, failure to register, suspicious activity reports, money transmitters and the use of the Form 8300 for reporting cash transactions in excess of \$10,000. Mr. Ganter reminded the group that the fact that one is not an MSB does not mean that he can refuse to be examined by the Internal Revenue Service.

Following Mr. Ganter's presentation, Scott Corscadden, Supervisor of the Bureau of Loans, and Frank Long, Chief of Examiners, presented to the group. They reported that the Department maintains its position that debit cards may not be used to support a deferred presentment transaction. Rather, there must be a traditional checking account. They also reported that there are now more pawn shop licensees than deferred presentment licensees in the state.

Following the presentation by the Banking Department, Curtis Pickens with The Pickens Group, LLC, spoke about ethics reform and lobbying in Alabama. Mr. Pickens explained the key definitions and how the new ethics laws have had an impact. He stressed the importance of staying in touch with your legislators.

Next, Meredith Broyles, Shanna Wycoff and Rob Griesler gave an industry update. They reported that all is relatively quiet with respect to payday lending across the United States. The industry still continues to face challenges, but not as many direct confrontations as in years past.

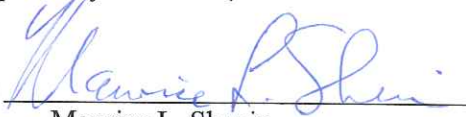
The alternative products panel consisting of Charles Hunter and Jeff Lininger discussed alternative products that members may want to consider offering. Prepaid debit cards were discussed in detail. Mr. Lininger emphasized that some of the additional services including free calls for customer service, FDIC insurance, ATM accessibility, personalized cards, overdraft fee protection, and security for lost cards, can add to the value of the product. There was a general discussion of the convenience, control and safety associated with stored value cards, and the need to work on the State Banking Department with respect to the utilization of stored value cards.

Finally, Sam Friedman gave a presentation on bankruptcy and the payday lending industry. Sam prepared a PowerPoint presentation that included an overview of bankruptcy, statistics, and trends. Sam spoke about the obligations of deferred presentment licensees when the customer is in bankruptcy, and the distinction between pre-petition and post-petition debt, Chapter 7 versus Chapter 13, and secured versus unsecured creditors. Sam addressed frequent bankruptcy and payday lending questions, including cashing a check received on a pre-petition loan, and what to do when a letter is received from a bankruptcy attorney.

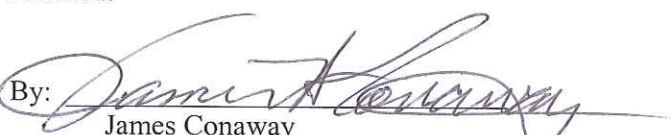
There was ample opportunity throughout the day for questions, answers and networking. The strength of the Association is grounded in its members. We are pleased to have had the opportunity to meet together once again in a positive Alabama legal climate.

There being no further business to come before the meeting, Mr. Conaway adjourned the same at approximately 3:00 p.m.

Respectfully submitted,

By: 
Maurice L. Shevin
Its Acting Secretary

Attested:

By: 
James Conaway
Its Vice President