

NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
FINANCIAL FRAUDS & CONSUMER PROTECTION DIVISION

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In the Matter of:

BLUE GLOBAL LLC and
CHRIS K. KAY,

Respondents.

----- X

CONSENT ORDER

WHEREAS the NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES (the "Department") commenced an investigation, pursuant to Financial Services Law § 404, of Blue Global LLC and Chris K. Kay (collectively "Respondents");

WHEREAS the Department investigated whether Respondents made misrepresentations in violation of Financial Services Law § 408 in connection with Respondents' payday loan lead generation business (the "Investigation");

WHEREAS the Investigation concluded that Respondents misrepresented to New York consumers and others the legal status of payday loans Respondents advertised, as well as the safety and security of personal information that consumers entered on websites operated by Respondents;

WHEREAS this Consent Order contains the Department's findings and the relief agreed to by the Department and Respondents;

NOW, THEREFORE, the Department and Respondents are willing to resolve the matters cited herein in lieu of proceeding by notice and a hearing.

I. FINDINGS

The findings of the Department's Investigation are as follows:

Relevant Entities

1. Blue Global LLC ("Blue Global" or "Company") is an Arizona limited liability corporation formed in August 2006. Its principal offices are located at 7302 E. Helm Drive, Suite 2005, Scottsdale, Arizona. Among other business activities, Blue Global operates a payday loan lead generation business, which has solicited consumers in New York and across the nation primarily through a number of websites, including 100DayLoans.com, among others.

2. Blue Global is a wholly-owned subsidiary of New Blue Ocean, Inc. ("New Blue Ocean") since December 30, 2014. One hundred percent of New Blue Ocean's stock is owned by an Employee Stock Ownership Plan in trust for the benefit of Blue Global's employees.

3. Chris K. Kay is Blue Global's Chief Executive Officer and is also sole "Manager" which, as defined in Blue Global's articles of organization, is the individual who conducts the business of the Company and has full and complete authority, power, and discretion to make any and all decisions regarding the Company. Chris K. Kay also operates a Regus mail address at 262 West 38th Street Suite 1205, New York, New York. Respondents have represented to the Department that this address is not used for the business of loan lead generation.

Background

4. Respondents advertise to and solicit consumers for high interest payday loans and installment loans through a number of websites that they own or operate. Payday loans are small dollar consumer loans typically structured as an advance on a consumer's next paycheck or income source. Payday loans charge fees that, when annualized, carry an interest rate many times greater than the civil and criminal usury limits set by New York law, 16 percent and 25 percent

respectively. Respondents refer consumers to their network of payday lenders, lead aggregators, and other third parties that provide or market a range of financial products or services (collectively "Lead Buyers"). In attempting to match consumers with payday lenders, Respondents sell to or share with Lead Buyers consumers' sensitive personal and financial information captured from their websites ("Leads"). This information includes any or all of the following: a person's first and last name, address, Social Security number, date of birth, driver's license number, bank account number, routing number, email address, and other information that may be used to identify an individual ("Personal Information"). For each New York Lead sold between January 1, 2009 and November 25, 2013, Respondents were paid an amount between 45 cents and \$171. Respondents have represented to the Department that they are not payday lenders and are not affiliated with any payday lender other than as a contract partner. Respondents have also represented that they ceased collecting Personal Information from New York consumers on November 27, 2013.

5. The loan application process on Respondents' websites requires that a consumer submit many pieces of Personal Information before he or she is connected to a lender. On 100DayLoans.com, for example, a three-part process requires a consumer to enter the following information initially: first and last name, street address, phone number, email address, Social Security number, date of birth, and driver's license number. The next step requires the consumer to enter the name of his or her employer, the phone number of the employer, and the consumer's monthly income. Finally, the consumer must enter the bank account number and routing number that will be used for the loan, if approved.

6. After a consumer submits the foregoing Personal Information on one of Respondents' websites, Respondents sell the Lead to a Lead Buyer. In some cases Lead Buyers are lenders that directly offer consumers payday loans. More often, however, they are lead

aggregators that collect Leads from lead generators and sell these Leads to yet another entity that may eventually connect consumers to payday loans. Once a consumer submits his or her Personal Information on one of Respondents' websites and a lender receives it, the consumer will be contacted via phone or email if he or she meets the lender's eligibility requirements. The Department's Investigation found that often shortly after submitting an online application on a website owned or operated by Respondents, consumers began receiving numerous phone calls and emails offering payday loans or other financial products.

7. Leads are valuable to payday lenders because they contain important information about potential customers for payday loans or other financial products or services. Leads are similarly valuable to lead aggregators and to another type of entity referred to in the industry as a "list manager," a third party entity with whom lead generators such as Respondents share a list or lists of consumer contact information they have collected. The list manager markets financial products or services to consumers, earns commissions on sales, and splits its commissions with the lead generator that shared the list.

Respondents' Activities in New York

8. Respondents began advertising their payday lending network to consumers in New York and across the nation in mid-2009 via online advertising, print and radio advertisements, as well as direct-to-consumer mailings.

9. From 2009 through 2013, Respondents collected and shared approximately 350,000 applications from New York consumers with payday lenders, list managers, lead aggregators, and other entities through as many as 41 websites they owned or operated. Blue Global sold more than 177,000 New York Leads to its network of Lead Buyers who in turn provided or marketed payday loans or other financial products or services to New York consumers.

10. Each Lead Buyer had an agreement with Blue Global through which the Lead Buyer paid Blue Global a fee for every Lead it purchased. Through these arrangements, Blue Global acted in concert with a network of at least 46 Lead Buyers to market payday loans to New York consumers and connect them with payday lenders ("Lead Sale Agreement").

11. Blue Global is a member of the Online Lenders Alliance ("OLA") and until 2015 used OLA's "Best Practices" as the only formal, published guide for its payday loan lead generation business standards and practices. Respondents have represented that OLA's representative Annual Percentage Rate ("APR") calculations, offered by its lender members, shows APR ranges between 521.43% and 8,212.50%. Blue Global relied on these OLA standards and parameters in doing its business and therefore had knowledge that the lenders with whom it connected consumers likely charged such APRs.

12. New York General Obligations Law § 5-501 and New York Banking Law § 14-a prohibit consumer loans under \$250,000 made by nonbank lenders or New York-chartered banks with an interest rate exceeding 16 percent per annum. The loans offered by lenders purchasing Leads from Blue Global and other Lead Buyers to whom Blue Global sold Personal Information — including the more than 177,000 New York Leads that Blue Global sold — were above the usury limit in New York.

13. On November 25, 2013, the Department issued a subpoena duces tecum to Blue Global and informed the company that it was investigating whether Blue Global had been offering or selling financial products or services in violation of New York law.

14. Respondents have represented to the Department that on or about November 27, 2013 they ceased selling the Personal Information of New York consumers to their network of nonbank payday lenders and other Lead Buyers.

15. Respondents have represented to the Department that on or about November 27, 2013, Blue Global ceased collecting and storing the Personal Information of consumers who enter New York zip codes into one of Respondents' websites. However, Blue Global continued to direct New York Leads to GoFreeCredit.com—a website that offers credit monitoring services—and earned commissions on these Leads until or before August 14, 2015.

Misrepresentations About Payday and Other High-Interest Loans

16. The Department's Investigation found that Respondents advertised payday loans and connected New York consumers to payday lenders without disclosing that the payday loans contained terms that violate New York usury laws.

17. Based on prior regulatory actions and inquiries to Respondents by New York and a number of other states, Respondents were on notice that payday loans were illegal in various jurisdictions, including New York. Despite this knowledge, Respondents persisted in offering to match New York consumers with payday lenders by advertising payday loans to New Yorkers and soliciting their applications for payday loans on Respondents' websites.

18. Respondents were capable of filtering the consumer information received by the state of each consumer. Nevertheless, Respondents continued to accept Personal Information from New York consumers and sell New York Leads to their network of Lead Buyers.

19. Respondents made misrepresentations insofar as they advertised payday loans as a "simple borrowing solution" for people who may have imperfect and even "bad" credit. Respondents' websites stated that consumers would have "complete control of the process" and that "there are never any hidden fees or extra finance charges on top of what you're expected to pay."

20. Such advertising claims were false and misleading as they failed to disclose to New York consumers that, due to high interest rates and charges imposed by Respondents'

“network of lenders,” payday loan borrowers are often unable to repay payday loans on a timely basis, and consequently must either renew or take out additional loans to repay the previous one. In fact, at the same time that Respondents advertised the virtues of payday loans on their websites to solicit payday loan applications, they also redirected consumers, including New Yorkers laden with payday loan debt, towards payday loan debt consolidation products or services.

Misrepresentations About the Safety of Consumers' Personal Information

21. Respondents encouraged consumers to apply for payday loans with repeated assurances as to the Company's protocols for maintaining the security of consumers' Personal Information. Respondents represented, often in large print on the home pages of their websites, as well as on different pages throughout the online loan application, that consumers' sensitive information was “completely protected 24/7 GUARANTEED” and that the Company “prides itself in putting our customer's security and personal information protection at the top of our priority list.”

22. Respondents went so far as to assure consumers that “the online world has created a number of scary situations for users, but we don't let bad apples creep into our service. It is of the utmost importance that all information on our site stays safe, and we protect consumers using the most sophisticated bit-encryption technology and HTTPS protocols. That way you never have to worry about the security of your information or the privacy of your identity.”

23. These advertising claims were false and misleading because Respondents in fact did not protect consumers when they shared consumers' Personal Information with third parties. Respondents sold the Personal Information of New Yorkers to Lead Buyers under the terms of Lead Sale Agreements that did not require Lead Buyers to protect consumers' Personal Information in the process of using, sharing, or later selling that sensitive information.

Respondents' due diligence in vetting companies to whom it would sell consumers' Personal Information was cursory and minimal at best.

24. Further, Respondents stated in fine print on their websites that consumers could choose to opt out of having their Personal Information provided to third parties. However, the fine print also stated that even after choosing to opt out, consumers might continue to receive communications from third parties to whom Respondents had already provided their information. The fine print went on to state that in such cases, the consumer would be responsible for contacting third parties directly to request that communications no longer be sent to them.

25. Therefore, while Respondents boldly promised to use consumers' Personal Information in a safe and secure manner, they failed to take any protective measures when selling or sharing such information with third parties. Respondents also failed to clearly and conspicuously disclose that consumers were responsible for protecting their own information from third parties even after affirmatively choosing to opt out. These failures rendered Respondents' representations false and misleading as to Respondents actual efforts and ability to secure consumers' Personal Information.

26. Respondents also received complaints from aggrieved consumers, including New York consumers, claiming that shortly after submitting Personal Information through one of Respondent's websites, they received repeated phone calls or other communications soliciting advance payments on a loan, or attempts to collect payment on a supposed loan they had not taken out. Despite receiving and responding to such complaints which continued over a period of years, and also having knowledge of ongoing scams that targeted and harmed users of their services, Respondents continued to misrepresent to consumers that their Personal Information was protected.

Violations

27. By reason of the foregoing, Respondents made knowing misrepresentations to New York consumers in violation of New York Financial Services Law § 408.

II. AGREEMENT

IT IS HEREBY UNDERSTOOD AND AGREED by Respondents Blue Global, Chris K. Kay and their affiliates, successors, assigns, agents, representatives and employees, that:

Civil Penalty

28. Respondents Blue Global, Chris K. Kay, and New Blue Ocean, Inc.¹ shall pay a civil penalty of ONE MILLION DOLLARS (\$1,000,000) to the Department as follows:

- a. No later than April 1, 2016, Respondents shall make a payment of \$100,000 to the Department;
- b. No later than May 31, 2016, Respondents shall make a payment of \$100,000 to the Department;
- c. No later than December 31, 2016, Respondents shall make a payment of \$200,000 to the Department;
- d. No later than June 1, 2017, Respondents shall make a payment of \$150,000 to the Department;
- e. No later than December 31, 2017, Respondents shall make a payment of \$150,000 to the Department;
- f. No later than June 1, 2018, Respondents shall make a payment of \$150,000 to the Department ;

¹ New Blue Ocean, Inc. is a Respondent to this Consent Order for the sole purpose of effectuating the monetary obligations as set forth in Paragraphs 28-30 and 51 of this Consent Order.

g. No later than December 31, 2018, Respondents shall make a payment of \$150,000 to the Department.

h. The foregoing payments as set forth in Paragraph 28(a)-(g) shall be in the form of a wire transfer in accordance with the Department's instructions.

29. Respondents shall not seek or accept from any non-Respondent reimbursement or indemnification with regard to any portion of the civil penalty paid pursuant to this Consent Order, including, but not limited to, payment made pursuant to any insurance policy.

30. Respondents agree that they will not claim, assert, or apply for a tax deduction or tax credit with regard to any U.S. federal, state, or local tax, directly or indirectly, for any portion of the civil penalty paid pursuant to this Consent Order.

Injunctive Relief

31. Respondents shall not purchase, distribute, promote, publish or otherwise cause to exist any New York State-specific advertisements, endorsements or other promotional materials for any financial product or service unless the financial product or service being offered or sold complies with New York law.

32. Respondents shall ensure that nationwide and regional² advertising for financial products or services that do not comply with New York law be excluded from New York by, at a minimum, removing New York postal codes, IP addresses, and phone numbers from consumer mailing, email, and call lists, and in connection with online and mobile targeted advertising.

33. Within ninety (90) days of the Effective Date of this Consent Order, Respondents' written or printed national or regional advertisements, endorsements, and other promotional materials for or concerning payday loans or other financial products or services that do not

² For purposes of this Consent Order, advertisements, endorsements, or any other promotional materials that are "regional" are those which, while they do not specifically target New York, may nevertheless enter the New York market.

comply with New York law, in whatever medium presented, including online, shall clearly and conspicuously state: "This service is not available to New York residents due to requirements of New York law." For purposes of this Consent Order, the term "clearly and conspicuously" or "clear and conspicuous" means that the statement, representation or term being disclosed is of such size, color, contrast, and/or audibility and is so presented as to be readily noticed and understood by the person to whom it is being disclosed. If such statement is necessary as a modification, explanation, or clarification to other information with which it is presented, it must be presented in close proximity to the information it modifies, in a manner so as to be readily noticed and understood. In addition to the foregoing, in interactive media, the disclosure shall also be unavoidable (i.e., no click-through required to access it), and shall be presented prior to the consumer incurring any financial obligation.

34. Within ninety (90) days of the Effective Date of this Consent Order, Respondents' recorded, spoken or otherwise audible national or regional advertisements, endorsements, and other promotional materials for or concerning payday loans or other financial products or services that do not comply with New York law shall include a clear and conspicuous audio overlay stating: "This service is not available to New York residents due to requirements of New York law." Such language will be recorded at a speed and volume equal to the slowest words per minute and loudest volume of any other portion of the advertisement or endorsement.

35. Respondents shall neither collect nor sell the Personal Information of any New York consumer for the purpose of referring or otherwise connecting New York consumers to financial products or services unless those products or services comply with New York law.

36. To ensure that Respondents do not collect New York consumers' Personal Information for the purpose of referring or otherwise connecting New York consumers to financial products or services that are not compliant with New York law, within ninety (90) days

of the Effective Date of this Consent Order Respondents shall, on all websites that they own or operate relating to any non-New York compliant financial products or services:

- a. Require all consumers to enter a zip code before consumers' Personal Information may be entered, saved, stored, or included as a Lead in any transaction.
- b. Disable websites from accepting any applications from or storing any information submitted by consumers who enter a New York State zip code in the relevant address field(s) of any landing page, home page, or portion of any web page in which a zip code is requested or required.
- c. As to any consumer who has entered a New York zip code, the consumer will be redirected to a page or shown a screen that states, clearly and conspicuously "This service is not available to New York residents due to requirements of New York law."

37. Respondents shall permanently remove all Personal Information of New York consumers and New York IP addresses from consumer mailing, email, and call lists, as well as online and mobile targeted advertising for payday loans or other financial products or services that do not comply with New York law. In doing so, Respondents shall comply with industry best practices and all applicable federal and state laws governing data security protocols.

38. To the extent Respondents maintain an ownership interest in Personal Information of New York consumers that Respondents have shared with any third parties with whom they do business, Respondents shall modify their agreements with such third parties to require them to permanently remove such Personal Information of New York consumers from any database or lists that may be used to offer, promote, advertise, or market payday loans or other financial products or services that do not comply with New York law, and to further require that third parties remove such information in accordance with industry best practices and all applicable federal and state laws governing data security protocols.

39. All contracts Respondents enter after the Effective Date shall provide that no Personal Information of New York consumers provided by Respondents shall be used to offer, sell, or sell Leads for payday loans or other financial products or services that do not comply with New York law.

40. In the event that Respondents accept, collect, store, share, or sell any Personal Information of New York consumers for the purpose of referring or otherwise connecting New York consumers to financial products or services that comply with New York law, Respondents shall provide a clear and conspicuous notice, in the same medium in which the consumer is entering his or her Personal Information, before the consumer may enter any Personal Information, stating: **“Important Notice to New York Consumers:** Once you enter any of your personal or financial information, the Company may share or sell this information to third parties. The Company does not guarantee the security of your personal or financial information sold to or shared with such third parties.” Moreover, Respondents shall not make any representation that contradicts directly or by implication the above-stated notice.

41. In the event that Respondents accept, collect, store, share, or sell any Personal Information of New York consumers, Respondents shall establish and adhere to data security protocols for the secure use, transfer and storage of this information. These protocols shall comply with all applicable laws and regulations and include, at a minimum and to the extent such protocols do not conflict with applicable laws and regulations, the following:

- a. The use of industry-standard encryption to protect sensitive data in transit and at rest.
- b. Prompt notification to consumers by Respondents in the event Respondents discover, are notified of, or have reason to believe that there has been an incident involving the actual or potential unauthorized use of New York consumers' Personal Information, including but not limited to a scam or other “breach of the security of a system,” as

that term is defined under § 899-aa(c) of the New York General Obligations Law (“Data Security Incident”).

- c. Prompt notification to Respondents by third party contractual partners in the event a third party discovers, is notified of, or has reason to believe that there has been a Data Security Incident.
- d. Periodic reviews by Respondents of the data security protocols and practices of third parties to whom Respondents share or sell Personal Information of New York consumers, including but not limited to a review of all written representations or warranties third parties make to consumers concerning whether and how they protect consumers’ Personal Information.
- e. Periodic mandatory training provided by Respondents or its agents to relevant personnel to stay abreast of risks in the Company’s data security systems, evolving data security threats in the industry that may impact the Company and its consumers, and countermeasures to such threats.
- f. The adoption of a written “Data Security Policy” (hereinafter the “Policy”) that describes how the Company protects consumers’ Personal Information, including how the Company complies with the data security protocols required by this Paragraph. Respondents shall regularly revise the Policy to reflect the adoption of new industry best practices and any new developments in the field of consumer data security.
- g. The designation of at least one qualified employee to serve as the Company’s Compliance Officer, a position responsible for developing, implementing, overseeing, and updating the Company’s Policy.

42. In the event that Respondents accept, collect, store, sell, or share New York consumers' Personal Information, the protocols described in Parts (c)-(d) of Paragraph 41 shall be memorialized in Lead Sale Agreements, and any other agreements Respondents execute with third parties that anticipate the sale or transfer of New York consumers' Personal Information.

43. To the extent Respondents offer, advertise, promote or market to New York consumers financial products or services that comply with New York law, Respondents shall, for a period of five (5) years beginning from the date Respondents may begin receiving Personal Information of New York consumers, annually retain an independent firm specializing in data security to review the Policy and certify in writing that it meets industry best practices and that Respondents have implemented the protocols described in Paragraph 41. Respondents shall provide to the Department all written reports from the independent firm relating to their reviews. In the event the independent firm determines that the Policy does not meet industry best practices or that Respondents have not complied with Paragraph 41 of this Consent Order, Respondents shall provide to the Department written notice of the same within five (5) days of such determination. Respondents will have a period of ten (10) days from giving notice to the Department to cure the defect(s). In the event Respondents do not timely cure, Respondents shall be liable to the Department for stipulated penalties in the amount of \$5,000 for each day of noncompliance until the defect(s) are cured. Further, Respondents shall cease all collection of New York consumers' Personal Information commencing from the date of the independent firm's determination of noncompliance until they come into compliance with the terms of this Consent Order.

44. The Compliance Officer shall, for a period of five (5) years from the date Respondents begin receiving Personal Information of New York consumers with respect to New York-compliant financial products or services, submit to the Department an annual report

assessing the Company's internal compliance with the terms and provisions of Paragraphs 41 and 42 of this Consent Order, including details regarding any Data Security Incidents that may have occurred throughout that year.

45. Respondents shall produce to the Department representative copies of all advertisements (including, but not limited to, magazine and newspaper advertisements and advertisements available on or distributed over the Internet, videotapes, radio and television broadcast scripts, handbooks, guidebooks, direct to consumer marketing, and website materials, including all click-through materials) of financial products or services published or aired in national, regional, or local media within one hundred and twenty (120) days of the Effective Date and thereafter annually for the next two (2) years.

46. If the Department determines that a New York consumer suffers identity theft within two (2) years of the Effective Date that is traceable either to (i) a data security breach within Blue Global's systems or (ii) the sharing or sale by Chris K. Kay or Blue Global of a New York consumers' Personal Information to any person or entity Respondents knew or should have known would not take reasonable steps to protect consumers' Personal Information, the Department will provide Respondents notice and Respondents may, within ten (10) days' of such notice, present any evidence to the Department to rebut its determination. Thereafter, should the Department conclude that the New York consumer suffered identity theft traceable to the circumstances set forth in (i) or (ii) of this Paragraph, Respondents shall, within ten (10) days' notice from the Department, reimburse the consumer for any damages suffered as a result of the identity theft and shall provide free credit monitoring to the consumer for a period of two (2) years. Respondents shall be jointly and severally responsible for any payments and relief determined by the Department to be due to any New York consumer pursuant to this Paragraph.

Other Relief

47. Respondents shall cease and desist from engaging in any acts that violate the Financial Services Law and will comply with that and every other New York law.

Breach of the Consent Order

48. If Respondents default on their monetary obligations under this Consent Order, the Superintendent may terminate this Consent Order, at her or his sole discretion, upon ten (10) days' written notice. In the event of such termination, Respondents expressly agree and acknowledge that this Consent Order shall in no way bar or otherwise preclude the Superintendent from commencing, conducting or prosecuting any investigation, action or proceeding, however denominated, related to the Consent Order, against Respondents, or from using in any way statements, documents or other materials produced or provided by Respondents prior to or after the date of this Consent Order including, without limitation, such statements, documents or other materials, if any, provided for purposes of settlement negotiations.

49. In the event that the Department believes either or both Respondents to be materially in breach of the Consent Order ("Breach"), the Department will provide written notice to Respondents as the case may be and such Respondent(s) must, within ten (10) days from the date of receipt of said notice, or on a later date if so determined in the sole discretion of the Superintendent, appear before the Department and shall have an opportunity to rebut the evidence, if any, of the Department that a Breach has occurred and, to the extent pertinent, demonstrate that any such Breach is not material or has been cured.

50. Respondents understand and agree that failure to appear before the Department to make the required demonstration within the specified period as set forth in Paragraph 49 of this Consent Order is presumptive evidence of a Breach thereof. Upon a finding of Breach, the

Superintendent has all the remedies available to her or him under New York law and may use any and all evidence available to the Superintendent in connection with all ensuing hearings, notices, orders and other remedies that are available.

51. Notwithstanding Paragraphs 48 through 50, and without limitation of any rights and remedies of the Superintendent under this Consent Order, in the event that Respondents fail to make any payments as set forth in Paragraph 28 when such payments are due, the Superintendent may, in her or his sole discretion, provide written notice to Respondents of the default and Respondents shall have five (5) business days from receipt of such notice to cure the default. In the event that Respondents fail to cure such default within the aforesaid time, the Superintendent may file the attached Affidavits of Confession of Judgment executed by Blue Global or its duly appointed representative, by Chris K. Kay, and by New Blue Ocean, Inc. or its duly appointed representative, for the full amount of the Civil Penalty due at the time of the default.

52. Should the Superintendent find that Respondents or any of them diverted assets to avoid their payment obligations under this Consent Order the Superintendent may, in her or his sole discretion, deem such conduct to be a Breach and shall have all rights and remedies available to her or him under this Consent Order and under New York law.

53. Respondents submit to the authority of the Department to effectuate this Consent Order.

Other Provisions

54. Respondents represent and warrant, through the signatures below, that the terms and conditions of this Consent Order are duly approved, and execution of this Consent Order is duly authorized.

55. Nothing in this Consent Order shall be construed to prevent any consumer from pursuing any right or remedy at law.

56. Respondents shall submit to the Department affidavits of compliance with the terms of this Consent Order on or before July 15, 2016 and thereafter on or before July 15, 2017 and on or before July 15, 2018.

57. The Department has agreed to the terms of this Consent Order based on, among other things, the representations made to the Department by Respondents — either directly or through their counsel — and the Department's own investigation. To the extent that representations made by Respondents — either directly or through their counsel — are later found to be materially incomplete or inaccurate, this Consent Order is voidable by the Superintendent in her or his sole discretion.

58. Upon the request of the Department, Respondents shall provide all documentation and information reasonably necessary for the Department to verify compliance with this Consent Order, including but not limited to agreements with third parties and data security protocols as set forth in Paragraph 41.

59. All notices, reports, requests, and other communications to any party pursuant to this Consent Order shall be in writing and shall be directed as follows:

If to the Department:

New York Department of Financial Services
Attention: Jared Elost, Assistant Counsel
One State Street, 19th Floor
New York, NY 10004

If to Blue Global LLC:

Blue Global LLC
Attention: Jennifer Schimmel
7302 E. Helm Drive, Suite 2005
Scottsdale, AZ 85260

If to Chris K. Kay:

Chris K. Kay
19969 North 101 Place
Scottsdale, AZ 85255

If to New Blue Ocean, Inc.:

New Blue Ocean, Inc.
Attention: Chris K. Kay
7302 E. Helm Drive, Suite 2005
Scottsdale, AZ 85260

60. This Consent Order and any dispute thereunder shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.

61. Respondents waive all rights to further notice and hearing in this matter as to any allegations of past violations up to and including the Effective Date of this Consent Order, and agree that no provision of the Consent Order is subject to review in any court or tribunal outside the Department.

62. This Consent Order may not be amended except by an instrument in writing signed on behalf of all the parties to this Consent Order.

63. This Consent Order constitutes the entire agreement between the Department and Respondents and supersedes any prior communication, understanding or agreement, whether written or oral, concerning the subject matter of this Consent Order. No inducement, promise, understanding, condition, or warranty not set forth in this Consent Order has been relied upon by any party to this Consent Order.

64. In the event that one or more provisions contained in this Consent Order shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Consent Order.

65. This Consent Order may be executed in one or more counterparts, and shall become effective when such counterparts have been signed by each of the Respondents and the Acting Superintendent of Financial Services or her or his designee (the "Effective Date").

WHEREFORE, the signatures evidencing assent to this Consent Order have been affixed hereto on the dates set forth below.

DEPARTMENT OF FINANCIAL SERVICES

By: Joy Feigenbaum
JOY FEIGENBAUM
Executive Deputy Superintendent
Financial Frauds and Consumer Protection

March 16, 2016

Blue Global, LLC

By: Chris K. Kay
Chris K. Kay, CEO

March 15th, 2016

Chris K. Kay

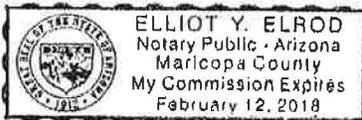
Chris K. Kay

March 15th, 2016

New Blue Ocean, Inc.

By: Chris K. Kay
Chris K. Kay, CEO

March 15th, 2016



[Handwritten signature]

THE FOREGOING IS HEREBY APPROVED.
IT IS SO ORDERED.

Dated: New York, NY
March 17, 2016



Maria T. Vullo
Acting Superintendent of Financial Services

consumers' Personal Information that Respondents collected on their websites in violation of Section 408 of the Financial Services Law.

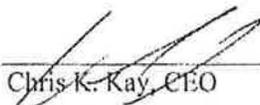
4. This Confession of Judgment is for a debt justly due to the Superintendent arising from the Consent Order with Respondents which, among other things, required Respondents to pay a civil penalty of \$1,000,000 to the Superintendent.

5. Blue Global hereby confesses judgment in accordance with N.Y. C.P.L.R. § 3218 in favor of the Superintendent for \$1,000,000, less any amount that Respondents have already paid to the Superintendent towards satisfaction of the penalty required under the Consent Order.

6. Blue Global authorizes this judgment to be entered in the State of New York, County of New York, and further admits and confesses, pursuant to the Consent Order, that it has conducted business activities in and affecting the State of New York such that jurisdiction is proper under N.Y. C.P.L.R. § 302 and all other applicable laws.

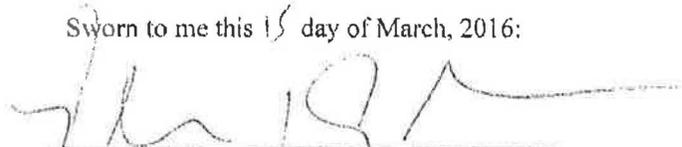
7. This original Confession of Judgment shall be held by the Department of Financial Services, to be filed in the Superintendent's sole discretion in the event either or both Respondents default on the obligations to which Blue Global herein confesses.

Blue Global LLC

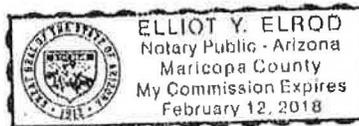
By: 
Chris K. Kay, CEO

March 15th, 2016

Sworn to me this 15 day of March, 2016:



Notary Public



**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

In the Matter of

Blue Global LLC and Chris K. Kay

Respondents.

Index No. _____ (____)

**AFFIDAVIT OF JUDGMENT BY
CONFESSION PURSUANT TO
N.Y. C.P.L.R. § 3218**

STATE OF NEW YORK)

: ss.

COUNTY OF NEW YORK)

Chris K. Kay, being duly sworn, deposes and says:

1. I am a resident of the State of Arizona and reside at 19969 North 101 Place Scottsdale, Arizona 85255.
2. I am an Owner and Chief Executive Officer of Blue Global LLC ("Blue Global"), a Delaware limited liability company with its principal place of business at 7302 E. Helm Drive Scottsdale, Arizona 85255. Prior to November 2014, I was the sole Owner and Manager of Blue Global.
3. I, Chris K. Kay and Blue Global ("Respondents") entered into a Consent Order with the Superintendent of Financial Services of the State of New York ("Superintendent") to resolve an investigation by the New York State Department of Financial Services (the "Department") into Respondents' payday loan lead generation business involving New York consumers. The Department's investigation concluded that Respondents made misrepresentations to New York consumers regarding the legality of payday loans and the safety

and security of New York consumers' Personal Information that Respondents collected on their websites in violation of Section 408 of the Financial Services Law.

4. This Confession of Judgment is for a debt justly due to the Superintendent arising from the Consent Order with Respondents which, among other things, required Respondents pay a penalty to the Superintendent of \$1,000,000.

5. I hereby confess judgment in accordance with N.Y. C.P.L.R. § 3218 in favor of the Superintendent for the sum of \$1,000,000, less any amount that Respondents have already paid to the Superintendent towards satisfaction of the penalty required under the Consent Order.

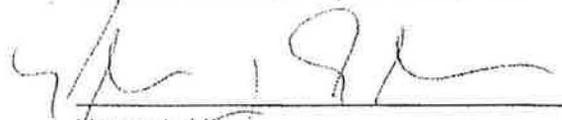
6. I authorize that this judgment be entered in the State of New York, County of New York and further admit and confess that I have conducted business activities in and affecting the State of New York such that jurisdiction is proper under N.Y. C.P.L.R § 302 and all other applicable laws.

7. This original Confession of Judgment shall be held by the Department of Financial Services, to be filed in the Superintendent's sole discretion in the event either or both Respondents default on the obligations to which I herein confess.

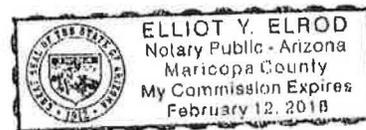

Chris K. Kay

March 15th, 2016

Sworn to me this 15 day of March, 2016:



Notary Public



**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

In the Matter of

Blue Global LLC and Chris K. Kay

Respondents.

Index No. _____(____)

AFFIDAVIT OF JUDGMENT BY
CONFESSION PURSUANT TO
N.Y. C.P.L.R. § 3218

STATE OF NEW YORK)

: ss.

COUNTY OF NEW YORK)

Chris K. Kay, being duly sworn, deposes and says:

1. I am Chief Executive Officer of New Blue Ocean, Inc. ("New Blue Ocean"), a Delaware limited liability company with its principal place of business at 7302 E. Helm Drive Scottsdale, Arizona 85255.

2. I am authorized to confess judgment and to make this affidavit on behalf of New Blue Ocean.

3. Blue Global and Chris K. Kay ("Respondents") entered into a Consent Order with the Superintendent of Financial Services of the State of New York ("Superintendent") to resolve an investigation by the New York State Department of Financial Services (the "Department") into Respondents' payday loan lead generation business involving New York consumers. The Department's investigation concluded that Respondents made misrepresentations to New York consumers regarding the legality of payday loans and the safety and security of New York consumers' Personal Information that Respondents collected on their websites in violation of

Section 408 of the Financial Services Law. New Blue Ocean, Inc. is a Respondent to the Consent Order for the sole purpose of effectuating the monetary obligations set forth therein.

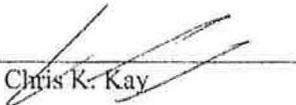
4. This Confession of Judgment is for a debt justly due to the Superintendent arising from the Consent Order with Respondents which required Respondents to pay a civil penalty of \$1,000,000 to the Superintendent.

5. New Blue Ocean hereby confesses judgment in accordance with N.Y. C.P.L.R. § 3218 in favor of the Superintendent for \$1,000,000, less any amount that Respondents have already paid to the Superintendent towards satisfaction of the penalty required under the Consent Order.

6. New Blue Ocean authorizes this judgment to be entered in the State of New York, County of New York, and further admits and confesses, pursuant to the Consent Order, that it has conducted business activities in and affecting the State of New York such that jurisdiction is proper under N.Y. C.P.L.R. § 302 and all other applicable laws.

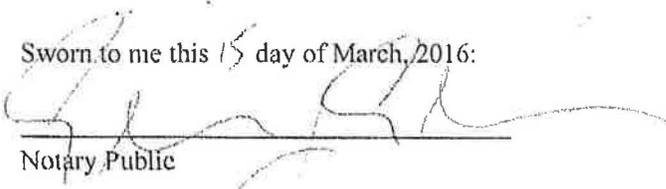
7. This original Confession of Judgment shall be held by the Department of Financial Services, to be filed in the Superintendent's sole discretion in the event either or both Respondents default on the obligations to which New Blue Ocean herein confesses.

New Blue Ocean, Inc.

By: 
Chris K. Kay

March 15th, 2016

Sworn to me this 15 day of March, 2016:



Notary Public

