

**THE BIG LAGOON RANCHERIA TRIBAL CONSUMER FINANCIAL SERVICES
REGULATORY CODE**

**SECTION 1.
FINDINGS, INTENT AND POLICY**

1.1 Findings. The Business Council of the Big Lagoon Rancheria the primary governing body of the Tribe, finds that:

(a) The Tribe desires to expedite the development of the economy of the Tribe in order to improve the Tribe's economic self-sufficiency, to enable the Tribe to better serve the social, economic, educational, and health and safety needs of its members and visitors, and to provide its members with opportunities to improve their own economic circumstances.

(b) Tribal operation and licensing of one (1) or more consumer financial services businesses is a legitimate means of generating revenue to address the aforementioned needs and pursuing the Tribe's goal of self-sufficiency and self-determination.

(c) The Tribe has the legal authority to license and regulate consumer financial services businesses within its jurisdiction.

(d) Properly licensed and regulated consumer financial services is consistent with announced federal policy promoting tribal self-government and economic self-sufficiency.

(e) Tribal regulation and control of consumer financial services businesses within the jurisdiction of the Tribe is essential for the protection of the public welfare.

(f) It is essential that the Business Council regulate consumer financial services in a manner commensurate with Tribal law and policy and applicable federal law.

(g) It is essential that public confidence in consumer financial services that takes place within the Tribe's jurisdiction be maintained.

(h) Adoption of a Tribal Consumer Financial Services Regulatory Code by the Business Council is a necessary condition for the legal operation of consumer financial services within the Band's reservation and is in the best interest of the Tribe.

(i) Establishment of a Tribal Consumer Financial Services Regulatory Authority to implement the purpose and intent of the Tribal Financial Services Regulatory Code within the Band's reservation is in the best interest of the Tribe.

1.2 Intent. The Business Council, on behalf of the Tribe, declares that the intent of this Code is to:

(a) Diversify and expedite the development of the economy of Big Lagoon

Rancheria for the purposes described in section 1.1(a) above.

(b) Define general regulatory powers to be exercised by a Tribal Financial Services Regulatory Authority (“Authority”) in relation to the regulation, control, and oversight of consumer financial services businesses and their vendors.

(c) Ensure that all consumer financial services profits are used for the benefit of the Tribe and the Band’s community.

(d) Ensure that consumer financial services is conducted appropriately by Licensees and borrowers and that it remains free from corrupt, incompetent, unconscionable and dishonest practices.

(e) Protect the interests of the public in the offering of consumer financial services.

(f) Ensure the maintenance of public confidence in Tribal consumer financial services practices.

(g) Ensure that the Tribe provides a Tribal-based forum for the fair and orderly resolution of consumer financial services disputes consistent with the Tribe’s preservation of sovereign immunity.

(h) Ensure that Tribal consumer financial services laws are enforced by the Tribe upon Persons involved in Tribal consumer financial services.

1.3 Policy.

(a) Tribal Policy of Self-Government. The Tribe is firmly committed to the principle of Tribal self-government. Profits from consumer financial services shall be utilized and expended only for the following purposes:

(1) To fund the Tribe's government operations or programs.

(2) To provide for the public health and general welfare of the Tribe and its members and visitors to the Tribal community.

(3) To promote Tribal economic development and self-sufficiency.

(4) To donate to charitable organizations.

(b) Tribal Consumer Financial Services Policy. The establishment, promotion and operation of consumer financial services are necessary, provided that such consumer financial services are regulated and controlled by the Tribe pursuant to this Code and the profits of such consumer financial services are used exclusively for the benefit of the Tribe.

(c) Responsibility for Regulation. The Tribe shall have sole proprietary

interest in and responsibility for the conduct of consumer financial services authorized by this Code.

(d) Consumer Financial Services Authorized. Consumer financial services that are subject to licensing under this Code are authorized and permitted only as described in this Code and any regulations of the Authority adopted under this Code.

Authority

SECTION 2. DEFINITIONS

In this Code, except where otherwise specifically provided or unless the context otherwise requires, the following terms and expressions shall have the following meanings:

2.1 "Applicant" means any Person who has applied for a License under the provisions of this Code.

2.2 "Application" means a request for the issuance of a License under the provisions of this Code.

2.3 "Consumer" means a natural person who acquires goods, services, or credit primarily for personal, family or household purposes. The term does not include a person who acquires goods, services, or credit primarily for business, commercial, or investment purposes.

2.4 "Consumer financial services" or "Tribal consumer financial services" means the business of providing goods, services, or credit to consumers in transactions subject to this Code in exchange for interest, finance charges, fees, rent, or other form of consideration on the Band's reservation or within the Tribe's jurisdiction, including transactions originated from the Band's reservation or Tribe's jurisdiction. The term includes, without limitation, loans, payday loans, installment loans, credit sales, pawn transactions, sale-leaseback transactions, rent-to-own transactions, guaranties, letters of credit, or other forms of consumer financial services.

2.5 "Small Loan Transaction" means any form of consumer financial services transaction provided by a financial services provider to a consumer, in an amount of at least \$50.00 but no more than \$10,000 that is secured, at the time the transaction is entered into, in whole or in part, by a check, Electronic Funds Transfer, or other payment device.

2.6 "Electronic Funds Transfer" means a draft or agreement for an electronic debit authorized by a borrower and made payable to a Financial Services Licensee.

2.7 "Employee Licensee" means a person that is licensed by the Authority to be employed by a Financial Services Licensee.

2.8 "Gross Revenues" means all consumer financial services revenues collected or received by a Licensee.

2.9 "Financial Services Licensee" means a person that is licensed by the Authority to engage in the business of providing Tribal consumer financial services.

2.10 "License" means the official, legal and revocable Financial Services License, Vendor License or Employee License, issued by the Authority. A License relating to consumer financial services is a revocable privilege.

2.11 "Licensee" means any Financial Services Licensee, Vendor Licensee, and Employee Licensee whenever used generally in this Code.

2.12 "Code" means this Tribal Consumer Financial Services Regulatory Authority Code.

2.13 "Person" means any natural person, partnership, joint venture, association, trust, firm, estate, club, society, receiver, assignee, trustee in bankruptcy, political entity, company, corporation or other group, however organized, and any director, officer or employee of any such entity or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, the government of the Tribe, any governmental entity of the Tribe or any of the above listed forms of business entities that are wholly owned or operated by the Tribe, or any other entity whatsoever, who engages or seeks to engage in the business of consumer financial services pursuant to this Code; provided, that the term does not include the Federal Government or any agency thereof.

2.14 Intentionally left blank.

2.15 "Business Council" means Big Lagoon Rancheria Business Council, the governing body of the Tribe as defined and described in Articles V and VIII of the Tribe's Constitution.

2.16 "Tribal Financial Services Regulatory Authority" or "Authority" means the regulatory authority established and described in Section 4 of this Code.

2.17 "Tribe," "Band" or "Big Lagoon" means Big Lagoon Rancheria.

2.18 "Vendor" means any natural person, partnership, joint venture, association, trust, firm, estate, club, society, receiver, assignee, trustee in bankruptcy, political entity, company, corporation or other group, however organized, who engages or seeks to engage in the business of providing services to a Licensee pursuant to this Code.

2.19 "Vendor Licensee" means a Person or entity that is licensed by the Authority to provide services to a Financial Services Licensee in connection with the marketing, origination, processing, or collecting consumer financial services.

SECTION 3. GENERAL PROVISIONS

3.1 Authority. This Code is enacted pursuant to the inherent sovereign powers of Big Lagoon Rancheria and in accordance the Tribe's Constitution.

3.2 Construction. In construing the provisions of this Code, the following shall apply:

(a) The provisions of this Code, being necessary for the benefit of the Tribe and its members, shall be liberally construed to effectuate its purpose and to promote substantial justice.

(b) The Findings, Intentions, and Policies stated in Section 1 constitute the standards to be observed by the Authority in the exercise of its discretionary powers under the Code, in the adoption of implementing regulations, in the issuance of orders and declaratory statements, in the examination and supervision of Licensees, and in all matters of construction and application of the Code required for any determination or action by the Authority.

(c) No Person acting, or who has acted, in good faith reliance upon a rule, order, or declaratory statement issued by the Authority shall be subject to any criminal, civil, or administrative liability for such action, notwithstanding a subsequent decision by a court of competent jurisdiction invalidating the rule, order, or declaratory statement. In the case of an order or a declaratory statement that is not of general application, no Person other than the Person to whom the order or declaratory statement was issued is entitled to rely upon it, except upon material facts or circumstances that are substantially the same as those upon which the order or declaratory statement was based.

(d) Words of the masculine gender or neuter include masculine and feminine genders and are the neuter.

(e) Words in the singular number include the plural, and words in the plural number include the singular.

(f) Words in the present tense include the future and past tenses.

3.3 Severability. If any section of this Code is invalidated by a court of competent jurisdiction, the remaining sections shall not be affected by same.

3.4 Effective Date. This Code shall take effect and be in full force and effect from and after the date of its final passage and approval by the Business Council.

SECTION 4. TRIBAL FINANCIAL SERVICES REGULATORY AUTHORITY

4.1 Establishment and Purpose. The Business Council has and hereby further charters, creates and establishes the Tribal Financial Services Regulatory Authority as a governmental subdivision of the Tribe. The Authority has charge of the implementation of the Code and regulations of the Tribe relating to consumer financial services activities and associated licensing requirements.

4.2 Location and Place of Business. The Authority may maintain its headquarters, principal place of business and office within the Tribal offices if it chooses. The Authority may, however, with a majority vote from the Business Council, establish other places of business in such other locations as the Authority may from time to time determine to be in the best interest of the Tribe.

4.3 Duration. The Authority shall have perpetual existence and succession in its own name, unless dissolved by the Business Council pursuant to Tribal law.

4.4 Attributes. As a governmental subdivision of the Tribe, the Authority is under the direction and control of the Business Council, and it is the purpose and intent of the Business Council that the operations of the Authority be conducted on behalf of the Tribe for the sole benefit and interests of the Tribe, its members and residents of and visitors to the Tribe's reservation.

(a) Arm of Tribe. The Authority shall function as an arm of the Tribe in carrying out its purpose under this Code.

(b) Tribal Actions. Notwithstanding any authority delegated to the Authority under this Code, the Tribe reserves to itself the right to bring suit against any Person or entity in its own right, on behalf of the Tribe or on behalf of the Authority whenever the Tribe deems it necessary to protect the sovereignty, rights and interests of the Tribe or the Authority. The Tribe may also charge reasonable fees to Licensees as appropriate for matters relating to dispute resolution under this Code.

4.5 Sovereign Immunity of the Authority.

(a) Immunity from Suit. The Authority is cloaked by Tribal and federal law with all the privileges and immunities of the Tribe, except as specifically limited by this Code, including sovereign immunity from suit in any tribal, federal or state court.

(b) No Consent to Jurisdiction. Nothing in this Code shall be deemed or construed to be a consent of the Authority to the jurisdiction of the United States or of any state or of any other tribe with regard to the business or affairs of the Authority No Waiver.

(c) Nothing in this Code shall be deemed or construed to be a waiver of

sovereign immunity of the Authority from suit, which shall only be waived pursuant to this subsection 4.5.

(d) Waiver of Sovereign Immunity of the Authority. Sovereign immunity of the Authority may be waived upon the recommendation of the Authority and only by express resolution of the Business Council. Waivers of sovereign immunity are disfavored and shall be granted only when necessary to secure a substantial advantage or benefit to the Authority or the Tribe.

(1) Resolution Effecting Waiver. All waivers of sovereign immunity must be preserved with resolutions of continuing force and effect issued by the Business Council.

(2) Limited Nature to Waiver. Waivers of sovereign immunity shall not be general but shall be specific and limited as to duration, grantee, transaction, property or funds, if any, of the Authority subject thereto, and the court having jurisdiction pursuant thereto and law applicable thereto.

(3) Limited Effect of Waiver. Neither the power to sue and be sued provided in subsection 4.12 herein, nor any express waiver of sovereign immunity by resolution of the Business Council shall be deemed a consent to the levy of any judgment, lien or attachment upon property of the Authority other than property specifically pledged or assigned, a consent to suit with respect to any land within the exterior boundaries of the Tribe's reservation, or a consent to the alienation, attachment or encumbrance of any such land.

4.6 Sovereign Immunity of the Tribe. With respect to the existence and activities of the Authority, all inherent sovereign rights of the Tribe as a Federally-recognized Indian Tribe are hereby expressly reserved, including sovereign immunity from suit in any state, Federal or Tribal court. Nothing in this Code nor any action of the Authority shall be deemed or construed to be a waiver of sovereign immunity from suit or counterclaim of the Tribe, a consent of the Tribe to the jurisdiction of the United States, any state or other tribe with regard to the business or affairs of the Authority or the Tribe, a consent of the Tribe to any cause of action, counterclaim, case or controversy, or to the levy of any judgment, lien or attachment upon any property of the Tribe, a consent to suit or counterclaim in respect to any land within the exterior boundaries of the Tribe's reservation, or to be a consent to the alienation, attachment or encumbrance of any such land.

4.7 Assets of the Authority. The Authority shall have only those assets specifically assigned to it by the Business Council, acquired in its name by the Tribe, or acquired by the Authority on its own behalf. No activity of the Authority or any indebtedness incurred by it shall implicate or in any way involve any assets of tribal members or the Tribe not assigned in writing to the Authority.

4.8 Regulatory Agent; Compensation, Duties.

(a) Regulatory Agent; Term of Office. The Authority shall initially be governed by one (1) Agent appointed by the Business Council. The Business Council may increase the number of Agents by Resolution as it deems necessary to conduct the governmental operations of the Authority. The Business Council shall determine an Agent's term of office.

(b) Compensation. The compensation of the Agent shall be established from time to time by the Business Council.

(c) Duties. The Agent shall have the following responsibilities:

(1) Oversee and have responsibility for the day-to-day operations of the Authority, including supervision of Authority employees;

(2) Serve as the agent for service of process;

(3) Conduct or oversee the conduct of any meetings or hearings held by the Authority in accordance with this Code or further directive of the Business Council; and

(4) Issues licenses, conduct or order audits and otherwise carryout the items in 4.12 below as needed per the Code.

(d) Agent Qualifications. Any person appointed as an Agent of the Authority shall meet the following qualifications:

(1) The Agent shall be an enrolled member of the Tribe unless otherwise approved by a majority of the Business Council.

(2) The Agent shall have expertise, experience, education or a combination thereof in the following areas: financial services, finance, management, business, governmental regulation, law, and/or Tribal policy.

(3) The Agent shall be at least twenty-one (21) years of age and show proof of High School Diploma or equivalent.

(4) No person shall serve as Regulatory Agent if:

A. His/her prior activities, criminal record, if any, or reputation, habits or associations:

i. Pose a threat to the public interest; or

ii. Threaten the effective regulation and control of financial services; or

iii. Enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the conduct of financial services.

B. He/she has been convicted of or entered a plea of no contest to any felony or to a misdemeanor involving breach of trust or dishonesty in any jurisdiction; or

C. He/she, or any member of his or her Immediate Family has an ownership, partnership or other direct monetary or financial interest in the conduct of any Licensee or is in privity with a Financial Services Licensee, Vendor Licensee or one of its agents, contractors, or sub-contractors; or if he or she has any other personal or legal relationship that places him/her in a conflict of interest with any Licensee. Ownership of a Licensee by virtue of membership in the Tribe is not a per se monetary or financial interest in the conduct of any Licensee.

4.9 Meetings. The Authority shall hold or participate in such meetings with the Business Council.

4.10 Prohibited Acts. The Agent and Authority employees shall not do any of the following with respect to any Licensee under the jurisdiction of the Authority:

(a) Be indebted, either directly or indirectly, as borrower, accommodation endorser, surety or guarantor to any Licensee unless such indebtedness was contracted before becoming employed by or appointed to the Authority and is fully disclosed to the Authority. Notwithstanding the foregoing, an employee of the Authority other than a Commissioner may become so indebted; provided that, while the debt is outstanding, the borrower shall not participate in any examination of any Licensee conducted by the Authority and the indebtedness is:

(1) Incurred on terms no more favorable than those available to the general public, and

(2) Fully disclosed to and approved by the Chairperson before funding, including the following information:

A. The date of the indebtedness;

B. The amount;

C. The interest rate; and

D. Security.

(b) Be an officer, director, or employee of any Licensee.

(c) Own or deal in, directly or indirectly, the shares or obligations of any Vendor Licensee.

(d) Be interested in, directly or indirectly, or receive from any Licensee or any officer, director, or employee of any Licensee any fee, compensation or other valuable thing by way of gift, donation, credit, or compensation for services or otherwise; except that an Agent or Authority employee is permitted to receive his or her pro-rata share of revenue that has been generated by a Licensee and is distributed among all eligible Tribal members by virtue of membership in the Tribe.

4.11 Removal of Regulatory Agent / Vacancy.

(a) Removal. The Agent may be removed by the Business Council for the following reasons: serious inefficiency, neglect of duty, malfeasance, misfeasance, nonfeasance, misconduct in office, or for any conduct which threatens the honesty and integrity of financial services or the Authority or violates the letter or intent of this Code. The decision of the Business Council concerning removal of an Agent shall be final.

(b) Vacancy. If the Agent shall die, resign, be removed or for any reason be unable to serve as an Agent, the Business Council shall declare his or her position vacant and shall appoint another qualified Tribal member to fill the position within thirty (30) days of the vacancy. The term of office of the person appointed to replace the Agent shall be for the balance of the unexpired term for the position.

4.12 Powers of the Authority. The Authority has the authority and responsibility for the discharge of all duties imposed by law and this Code on the Authority. In furtherance, but not in limitation of, the Authority's purposes and responsibilities, and subject to any restrictions contained in this Code or other applicable law, the Authority shall have, and is authorized to exercise the following powers and responsibilities in addition to all powers already conferred by this Code:

(a) To promulgate, adopt, and enforce regulations and ordinances furthering the purpose and provisions of this Code; provided that such regulations shall take effect only upon approval of the Business Council.

(b) To examine or inspect or cause to be examined or inspected each Licensee annually and more frequently if the Authority considers it necessary.

(c) To make or cause to be made reasonable investigations of any Licensee or Person as it deems necessary to ensure compliance with this Code or any order of the Authority, to determine whether any Licensee or Person has engaged in or is about to engage in any act, practice or transaction that constitutes an unsafe or unsound practice or violation of this Code or any order of the Authority; or to aid in adopting rules or regulations pursuant to this Code.

(d) To establish procedures designed to allow for detection of any irregularities, fraud, or the like.

(e) Upon prior explicit resolution and approval of the Business Council, to employ such advisors as it may deem necessary. Advisors may include, but are not limited to, lawyers, accountants, law enforcement specialists and financial services professionals.

(f) To accept, review, approve or disapprove any Application for a License, including conducting or arranging for background investigations of all Applicants.

(g) To examine under oath, either orally or in writing, in hearings or otherwise, any Licensee or Person, or agent, officer or employee of any Licensee or Person, or any other witness with respect to any matters related to this Code. Upon refusal to appear or produce, the Authority may apply to a court of competent jurisdiction to compel appearance or production.

(h) To make, or cause to be made by its agents or employees, an examination or investigation of the place of business, equipment, facilities, tangible personal property and the books, records, papers, vouchers, accounts, documents and financial statements of any Licensee or Person engaging or participating in, or suspected to be engaging or participating in, consumer financial services.

(i) To discipline any Licensee or Person engaging or participating in consumer financial services in violation of this Code by ordering immediate compliance, issuing fines and sanctions, and suspending or revoking any License pursuant to the hearings and due process required by Section 4.17 of this Code.

(j) To sue or be sued in courts of competent jurisdiction within the United States and Canada, subject to Section 4.6 herein; provided, that no suit shall be brought by the Authority without the prior explicit written approval of the Business Council.

(k) To arbitrate, compromise, negotiate or settle any dispute to which it is a party relating to the Authority's authorized activities, subject to any approval of the Business Council that may be required by the Business Council.

(l) To adopt a reasonable schedule of fees to be charged for the processing, issuance and renewal of Licenses, including fees or charges associated with conducting background checks; for reasonable examinations of Licensees; and for services rendered relating to transcripts and the furnishing or certifying of copies of proceedings, files, and records and to impose the forgoing fees as applicable.

(m) To establish and maintain such bank accounts as may be necessary or convenient.

(n) To make such findings as may be necessary to implement the Authority's duties and powers, with such findings to be given deference as the legally binding findings of a governmental entity.

4.13 Investigations, Right of Entrance.

(a) Investigations. The Authority, upon complaint or upon its own initiative or whenever it may deem it necessary in the performance of its duties or the exercise of its powers, may investigate and examine the operation and premises of any Licensee or Person engaging or suspected to be engaging in consumer financial services within its jurisdiction with reasonable prior notice to same.

(1) In undertaking such investigations, the Authority may request the assistance of federal or local law enforcement officials, legal counsel and/or other third parties.

(2) In conducting such investigation, the Authority shall make no order or final decisions without affording any affected party notice and a hearing pursuant to Section 4.17 of this Code.

(3) This power to investigate does not authorize the Authority to manage the day-to-day operations of a Licensee or Vendor Licensee.

(b) Right of Entrance. The Authority and duly authorized employees or agents of the Authority, during regular business hours, may reasonably enter upon any premises of any Licensee, Vendor Licensee, or Person engaging in or suspected to be engaging in Tribal consumer financial services for the purpose of making inspections and examining the accounts, books, papers and documents relating to consumer financial services of any such Licensee, Vendor Licensee, or Person.

4.14 Annual Budget. The Authority shall prepare an annual operating budget for all Authority activities and present it to the Business Council no less than thirty (30) days prior to the commencement of each operating year or part thereof.

4.15 Authority Regulations.

(a) Regulations necessary to carry out the implementation and orderly performance of the Authority's duties and powers may include, but shall not be limited to, the following:

(1) The making of findings or other information required by or necessary to implement this Code;

(2) Interpretation and application of this Code, as may be necessary to enforce the Authority's duties and exercise its powers;

(3) A regulatory system for overseeing consumer financial services, including accounting, contracting, management and supervision;

(4) The conduct of inspections, investigations, hearings, enforcement actions and other powers of the Authority authorized by this Code; and

(5) Specification of the amount and the schedule of applicable Licensing and examination fees that shall be imposed by the Authority.

(b) No regulation of the Authority shall be of any force or effect unless it is adopted by the Authority by written resolution and subsequently approved by a resolution of the Business Council.

4.16 Annual Report to the Business Council. The Authority shall file an annual report with the Business Council summarizing reports received from each Licensee and make such comments as it deems necessary to keep the Business Council fully informed as to the status of the Authority's activities. The Authority shall define by regulation, subject to the approval of the Business Council, the schedule for the submission of such reports.

4.17 Notice and Opportunity to Cure; Due Process; Notice; Hearings; Examiner. The Authority shall provide notice and a reasonable opportunity of at least sixty (60) days to cure before it initiates any action to utilize any of its enforcement capabilities in the administration of its powers and duties hereunder absent exigent circumstances or other good cause. If the matter is not satisfactorily cured within that period, the Authority shall provide notice and the opportunity for a hearing comporting with notions of due process if it is to utilize any of its enforcement capabilities in the administration of its powers and duties hereunder.

(a) No Hearing, Voluntary Resolution. Whenever it shall appear to the satisfaction of the Authority that all of the interested parties involved in any dispute or concern have agreed concerning the matter at hand, the Authority may dismiss or approve resolution of the issue, as appropriate, without a hearing.

(b) Notice of Hearing. The Authority shall, within ten (10) days after learning of the event giving rise to the concern, provide a written notice setting forth, with specificity, the issues to be resolved and the date and time at which a hearing shall be conducted.

(c) Hearing. Except as determined by the Authority, the hearing shall be scheduled to take place no less than ten (10) and no more than thirty (30) business days after the notice of hearing is delivered. At the hearing, the affected parties shall be provided the opportunity to present oral or written testimony to all people interested therein as determined by the Authority.

(d) Examiner. The Authority's Agent shall act as examiner for the purpose of holding any hearing, or the Agent may appoint an examiner qualified in the law or

possessing knowledge or expertise in the subject matter of the hearing for the purpose of conducting any hearing. Any such appointment shall constitute a delegation to such examiner of the powers of the Authority under this Code with respect to any such hearing.

(e) Decision. The Authority shall issue a written decision to all affected parties within thirty (30) days after the hearing.

(f) Appeals. Affected parties may appeal an Authority determination by filing a written appeal to the Business Council within twenty (20) days of receiving the Authority's final written decision. The Business Council shall place the matter on the agenda of its next regularly scheduled meeting. Any decision of the Business Council on appeal shall be final and not subject to further appeal.

SECTION 5. LICENSING

5.1 Licensing

(a) License Required. The Tribe requires that any Person or Vendor seeking to engage in consumer financial services subject to this Code shall apply for and receive all required licenses prior to engaging in consumer financial services, by the Authority, subject to the exemptions stated herein. Any Person or Vendor who is considering or currently engaging in consumer financial services related to the Tribe shall have 30 days to apply for a license in accordance with this Code

(b) Exemptions. Subject to the provisions in 5.1(a), the following Persons are not required to obtain a License to aid a Financial Services Licensee in the provision of consumer financial services, however said Persons are not otherwise exempt from any other provision or application of this Code:

(1) A Person who is a bank, savings bank, or savings and loan association organized under the laws of the United States or a Person who provides financial services to a Licensee and who is registered, licensed or otherwise subject to the regulatory oversight and supervision of a United States agency in order to engage in such financial services.

(2) Any Person providing solely pre-origination services including, but not limited to, marketing companies, lead generators, credit bureaus or similar third-party service providers to a Licensee.

(3) A Person licensed or otherwise authorized to engage in payment processing, money transmission, tax preparation, or the practice of law.

5.2. Revocability. A License is a revocable privilege to do business within the jurisdiction of Big Lagoon Rancheria.

5.3 Applications. Any applicant applying for a License hereunder shall complete and submit an application promulgated by the Authority and pay an initial fee plus a renewal fee. Such fees may be changed from time to time as shall be determined by the Authority with prior written notice to Licensees. Said fees shall be reasonably adjusted each year as needed. Each application shall contain:

(a) The applicant's full legal name, and any other names by which the applicant is or has been known (including trade names and nicknames);

(b) The ownership, directors (if any) and/or senior management of the applicant;

(c) The name and address of the registered agent who will accept service from the Authority on behalf of the applicant if a License is issued;

(d) Each applicant's principal persons criminal and civil record, if any, and an explanation of any crimes for which he has been convicted or civil suits in which a judgment has been entered against him or to which he has entered a plea of no contest in any jurisdiction and a complete disclosure of any pending or anticipated civil or criminal action in any jurisdiction against the Applicant. The Applicant shall provide written permission giving the Authority or its designees the right to the Applicant's background, including his criminal record;

(e) A sworn statement that if the License applied for is issued, the Applicant will submit to the jurisdiction of the Tribe, unless otherwise agreed to by the parties in a separate mutually executed agreement; the Applicant will abide by all applicable Tribal and Federal laws, regulations and policies; and the information contained in the Application is true and correct to the best of Applicant's knowledge.

5.4 Review and Issuance of License. The Authority shall promptly review each application for a License. The Authority may issue a License if it believes such issuance is in the best interests of the Tribe. Licensure is a privilege, not a right, and the decision to issue any license rests in the sole discretion of the Authority

5.5 Restrictions on licensure. The Authority may issue Licenses that authorize a Licensee to provide all types of consumer financial services under this Act or a limited-purpose License that only authorizes certain types of same. Each License shall bear on its face the name of the Licensee, the Tribal emblem, the issuance date, the license number and license scope.

5.6 Records. The Authority shall maintain, on a confidential basis, all applicants files, including all applications and all information submitted therewith, for no less than one (1) year from date that such an applicant ceased to hold a License, or if such applicant never held a License, from the date that such applicant was denied a License.

5.7 License Denial Suspension or Revocation of License.

(a) Denial: Temporary Suspension or Revocation. The Authority shall deny a License or suspend or revoke a License if the Authority finds that an applicant or Licensee:

(1) Made or offered consumer financial services not authorized by this Act;

(2) Has a senior officer that includes a Person or Persons not possessing honesty, truthfulness or good character;

(3) Made a material misstatement or omission on the application or on any document filed with the Authority;

(4) Withheld or provided incomplete or insufficient pertinent information;

(5) Failed to pay any application fee (including for any renewal);

(6) Violated or aided, abetted or conspired with another Licensee or Person or knowingly or knowingly caused any Licensee or Person to or otherwise participated in violate this Code or the rules and regulations of the Authority;

(7) Is insolvent;

(8) Employs a Person that has been convicted or has entered a plea of no contest in any jurisdiction of any felony or any other crime involving breach of trust or dishonesty;

(9) Has a financial judgment ordered against the applicant or Licensee in a civil action based on fraud, deceit or misrepresentation;

(10) Refuses to comply with any lawful order, inquiry or directive of the Authority or the Business Council;

(11) Attempts to bribe or offer anything of value to any Person, member of the Business Council or Authority in an attempt to avoid or circumvent Tribal law;

(12) Poses a threat to the public interest or the effective regulation of Financial Services;

(13) Creates or enhances the danger of unsuitable, unfair or illegal practices and methods and activities in the conduct of Financial Services; or

(14) Was a former Licensee pursuant to this Code whose License was suspended or revoked and not subsequently reinstated.

(b) Procedure for Suspension or Revocation.

(1) Upon reasonable basis for belief that a violation of the Code has occurred, the Authority or its designee may either undertake an investigation of the Licensee, or serve upon such Licensee an order to show cause why the Licensee's License should not be suspended or revoked, or why the Licensee should not be enjoined from conducting Financial Services under this Code.

(2) Such notice shall state the reason for the suspension and/or order, and the time and place for the hearing before the Authority.

(3) The Licensee shall have an opportunity to defend itself and to present any other evidence as to why a suspension, revocation order or injunction should not be issued in accordance with Section 4.17 above.

5.8 Period of License. Each license may be issued for a period not to exceed two (2) years from the date of issuance. A temporary License may be issued for such period of time as determined by the Authority, but not to exceed sixty (60) days, with a possible sixty-(60)-day renewal for cause.

5.9 Renewal of License. A Licensee shall petition to have the License renewed by applying to the Authority for a renewal before the License expires. Applicants may be required to provide updated material as requested. The Authority may deny renewal of a License or suspend or revoke a license if the Authority finds the existence of any circumstance listed in section 5.7(a) above, or that any other fact or condition exists that, if it had existed at the time of the original application for the License, would have warranted the Authority to refuse to issue the License.

5.10 Transferability of Licenses. Licenses issued by the Authority hereunder shall not be transferable and may only be utilized by the Person in whose name it was issued. Any change in the ultimate ownership or management control of any Licensee shall be deemed a transfer for purposes of this subsection, and shall not be permitted without the prior written consent of the Authority.

5.11 Voluntary Surrender of License. Any Licensee registered pursuant to this Code may voluntarily surrender its License at any time by giving written notice of the surrender to the Authority.

SECTION 6. LICENSEES

6.1 Compliance. Licensees shall at all times comply with the provisions of this Code, rules and regulations promulgated pursuant to this Code, and all other applicable

Tribal, and federal laws as applicable.

6.2 Federal Consumer Protection Laws. A Licensee shall conduct business in a manner consistent with principles of federal consumer protection law, including, without limitation, the following, as applicable: Truth in Lending Act, 15 U.S.C. § 1601 *et seq.*, and related regulations at 12 C.F.R. Part 226; Consumer Leasing Act, 15 U.S.C. §§ 1667 *et seq.*, and related regulations at 12 C.F.R. Part 213; Fair Credit Billing Act, 15 U.S.C. § 1666a; Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.*, and related regulations at 15 C.F.R. Part 202; Electronic Fund Transfer Act, 15 U.S.C. § 1693 *et seq.*, and related regulations at 12 C.F.R. Part 205; Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.* and related regulations at 12 C.F.R. Part 222); privacy provisions of Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 *et seq.*, and related regulations at 16 C.F.R. Part 313 and 16 C.F.R. Part 314; Fair Debt Collection Practices Act, 15 U.S.C. § 1692 *et seq.*, and related regulations at 16 C.F.R. Part 901; Talent Amendment, 10 U.S.C. § 987, and related regulations of the Department of Defense at 32 C.F.R. part 232; and Servicemembers' Civil Relief Act, 50 U.S.C. App. §§ 501-596. Notwithstanding the above, the Authority has in no way waived any defenses or position related to the applicability of the above laws to the Tribe.

6.3 Prohibited Acts by Licensees. A Licensee shall not:

(a) Engage in any Tribal consumer financial services other than those allowed under this Code or as permitted by its License.

(b) Threaten to use or use any criminal process to collect on any amounts outstanding.

(c) Assess any interest, fee, or charge that is greater than any applicable limitation, if any, prescribed in this Code.

(d) Use or cause to be published or disseminated any advertisement that contains false, misleading or deceptive statements or representations.

(e) Engage in unfair, deceptive or fraudulent practices.

6.4 Minimum Internal Control Systems. Each Financial Services Licensee and Vendor Licensee shall maintain a system of minimum internal control systems as specified by regulation promulgated by the Authority.

6.5 Books, Accounts and Records, Examinations, Costs.

(a) A Licensee shall maintain at each location at which it conducts business all books, accounts and records that the Authority reasonably requires. Each Licensee shall:

(1) Ensure that the books, accounts and records are sufficiently detailed to comply with the Code and all applicable Tribal and federal laws; and

(2) Maintain the books, accounts and records separately from any other business in which the Licensee is engaged and shall retain the books, accounts and records for at least three (3) years.

(b) The Authority may examine or cause to be examined each Financial Services and Vendor Licensee annually and more frequently if the Authority considers it necessary. In conducting such examination, the Authority or its agent may examine the books, accounts and records to determine if the Licensee has complied with this Code and any implementing regulations adopted pursuant to this Code. The Licensee shall pay the cost of the examination as may be required by the Authority in accordance with its regulations. In connection with the foregoing, the Authority may include direct examination of a Financial Services Licensee or Vendor Licensee..

6.6 Annual Reports. Every Licensee shall file a confidential annual report with the Authority in a time and manner specified by the Authority. Each report shall contain information specified by the Authority sufficient for the Authority to determine compliance with this Code including, at a minimum, the following: (1) the name, address and telephone number of the Licensee; (2) the names, addresses and titles of the principal employee of the Licensee; (3) a sworn statement that the Licensee, to the best of its knowledge, has complied and will continue to comply with all Tribal and federal laws applicable to consumer financial services; and (4) the name and address of the registered agent who will accept service of process from the Authority on behalf of the Licensee.

6.7 Audit requirements. Each Financial Services Licensee, or Vendor Licensee upon request, with the exception of those Vendor Licensees who solely provide funds to a Financial Services Licensee for the operation of the business, shall provide to the Authority annually a copy of an independent audit designed to reflect compliance with applicable law, including such information and in a format required by the Authority.

6.8 Public Notice. Each Financial Services Licensee shall have a copy of this Code and any implementing regulations readily available for inspection by any Person at each authorized consumer financial services site.

SECTION 7.

AUTHORIZED CONSUMER FINANCIAL SERVICES TRANSACTIONS

7.1 General Authority. Subject to this Code, a Licensee may engage in the business of providing Tribal consumer financial services as provided in this Code according to the applicable License classification.

7.2 General Terms, Conditions, and Practices.

(a) Preservation of Tribal sovereign immunity and exclusive jurisdiction.
The consumer must be provided a notice in a form approved by the

Authority regarding preservation of tribal sovereign immunity and exclusive jurisdiction and a consumer's limited and exclusive rights to submit complaints to a Tribal dispute resolution process in accordance with this Code and regulations of the Authority. The notice may be contained within the consumer credit agreement and need not be provided separately.

(b) Fees and charges. Except as otherwise specified in this Code, a consumer financial services transaction may provide for such price, interest, time price differential, rent, fees, filing fees, and other charges as agreed upon by the parties.

(c) Attorneys' fees and Costs. A consumer financial services may provide for payment by the consumer of any reasonable expenses incurred by the Licensee in connection with origination, servicing, protecting, collecting or enforcing any transaction, or any rights with respect to property or security for the transaction, including, without limitation, attorneys' fees and reasonable costs to insure, recover, store, or fix-up, or dispose of any property or security.

(d) No oral agreements. A consumer financial services transaction may provide that it represents the entire agreement of the parties and may not be contradicted by evidence of prior or contemporaneous oral agreements of the parties. Such provisions are enforceable and disallow evidence of prior or contemporaneous oral agreements.

(e) Late charges. A consumer financial services transaction may provide for a late payment charge no greater than \$30.00.

(f) Dishonor item fees. A consumer financial services transaction may provide that, on return of a payment device to a holder of a consumer financial services obligation following dishonor of the payment device, the holder, the holder's assignee, agent, or representative, or any other person retained by the holder to seek collection of the dishonored payment device, may charge the drawer or endorser a reasonable processing fee of not more than twenty five dollars (\$25). For purposes of this section, "payment device" means any check, item, paper or electronic payment, or other payment device used as a medium for payment.

(g) Enforcement of Licensee's rights and remedies. In any proceeding in which a Licensee is a party in interest with respect to any transactions with a consumer under this Code, the Licensee's rights and remedies shall be granted based upon prima facie proof and entitlement based upon the terms of the written transaction documents and the payment and business records maintained by the Licensee in the ordinary course of business and shall be subject to the sole and exclusive jurisdiction of the Tribal Dispute Resolution Procedure under this Code.

SECTION 8. ENFORCEMENT

8.1 Jurisdiction and Guideline. Except as provided otherwise in this Code, the Authority shall have jurisdiction over all violations of this Code. In imposing any administrative remedy or civil penalty provided for in this Code, the Authority shall take into account the appropriateness of the remedy or penalty with respect to the size of the financial resources and good faith of the Financial Services Licensee or Vendor Licensee charged, the extent to which the violation was intentional, the gravity of the violation, the history or previous violations, and such other matters as justice may require.

8.2 Civil Violations. Any Financial Services Licensee who violates or fails to comply with any provision of this Code or who fails or neglects to comply with any final order of the Authority may be charged with a violation and given due process. If the Licensee or Person is found to have committed a violation, such Licensee may be required to pay a civil fine to the Authority not to exceed Five Thousand Dollars (\$5,000) for each violation. Thereafter, each day during which any such violation or failure to comply continues may be treated as a separate violation of this Code, but not to exceed \$50,000. A violation or series of violations related to the same act or omission may be treated as one violation. An officer or agent of a Licensee who knowingly or recklessly participates in a material violation of this Code is subject to a civil penalty imposed by the Authority.

8.3 Notice and Opportunity to Cure; Due Process. In accordance with section 4.17, the Authority shall provide notice and a reasonable opportunity to cure before it initiates any action to utilize any of its enforcement capabilities in the administration of its powers and duties hereunder.

8.4 Purpose of civil penalties. The civil fines imposed under this Code are intended to be remedial and not punitive and are designed to compensate the Tribe for the damage done to the peace, security, economy and general welfare of the Tribe, and to compensate the Tribe for costs incurred by the Tribe in enforcing this Code. The civil fines under this Code are also intended to coerce all people into complying with this Code and Authority regulations and not to punish such people for violation of such laws and regulations.

8.5 Lien Rights on Property. Property of a Licensee utilized in violation of this Code shall be subject to a lien by order of the Authority pursuant to such implementing regulations as the Authority shall promulgate with prior written notice to Licensee of said intent and in accordance with the due process and other provisions stated in Section 4.17. In no event shall the Authority attempt to lien or otherwise encumber intellectual property rights of Licensee.

8.6 Cumulative fines. All civil fines accruing under this Code shall be cumulative and a suit for the recovery of one fine shall not bar or affect the recovery of any other fine, or judgment, penalty, forfeiture or damages nor bar the power of a court of competent jurisdiction to enter an order of contempt against any officer, director, agent, or employee of any Licensee, or any other Person.

SECTION 9. CONSUMER DISPUTE RESOLUTION

9.1 General Principles and Notice. The Tribe values its customers and intends, at all times, to see that questions, concerns, issues, and/or disputes raised by consumer borrowers are addressed in a fair and orderly manner. However, nothing in this Section shall be construed as a waiver of the Tribe's or the Financial Services Licensee's sovereign immunity or any of the rights and privileges attendant thereto. Every extension of credit made by a Licensee pursuant to the provisions of this Code shall include a notice to the customer of the dispute resolution rights granted herein.

9.2 Dispute Resolution Procedure. Any customer of any Licensee receiving an extension of credit pursuant to the provisions of this Code shall have the right to file a formal complaint with the Authority with specific forms promulgated and adopted by the Authority for use thereof. Upon receipt of a complaint by a customer, the Authority shall send notice to the Licensee and shall acknowledge receipt of the complaint by the customer. A Licensee shall have thirty (30) days to respond in writing to the customer's complaint. The Authority shall thereafter make findings of fact and conclusions of law to determine whether there has been a violation of this Code. If the Authority shall find that there has been a violation of the Code, in addition to the other sanctions referred to herein that may be levied against the Licensee, the Authority shall have the right to issue such orders against the Licensee to remedy the customer's complaint.

SECTION 10. SECURED TRANSACTIONS WITH RESPECT TO TRIBAL CONSUMER FINANCIAL SERVICES

10.1 Adoption by Reference. The Tribe adopts and incorporates by reference Article 9 of the California Uniform Commercial Code, as it may be amended from time to time (the "California UCC9"), but subject to the exceptions and qualifications provided in this Code. In the event of any conflict between this Code and California UCC9, this Code shall control. This Section 10 may be referred to as the "Tribal UCC9."

10.2 References. All references to the State of California in the California UCC 9 shall mean the Tribe for purposes of this Code. Any references to sections in the California UCC 9 may be referenced for purposes of this Code with the prefix 10 instead of the corresponding California UCC 9 number.

10.3 Characterization of transactions. Any characterization in this Code of a transaction as a sale, lease, pawn, or other transaction shall control over any contrary provision in the Tribal UCC9.

10.4 Exceptions. The Tribe's adoption of the California UCC9 is subject to the exceptions and comments listed in Appendix 1 to this Code.

10.5 Preservation of Sovereign Immunity and Exclusive Jurisdiction. Nothing in the Section or the California UCC9 as adopted in this Section shall be construed: (a) as a waiver of the Tribe's sovereign immunity or exclusive jurisdiction, including, but not limited to the immunity of its entities, agents, officers, employees, or elected officials; or (b) to grant jurisdiction to any other governmental agency or entity other than the Tribe.

SECTION 11. SMALL LOAN TRANSACTIONS

11.1 Applicability. This Section applies to Small Loan Transactions.

11.2 Regulations. The Authority is authorized to adopt regulations with respect to Small Loan Transactions. Any Financial Services Licensee, Vendor Licensee, or Employee Licensee must comply with any regulations adopted by the Authority.

11.3. Small Loan Transactions amounts, finance charges and other requirements.

(a) Transaction amount. A Financial Services Licensee may issue Small Loan Transactions in an amount of at least fifty dollars (\$50.00) but not more than ten thousand dollars (\$10,000.00), excluding the finance charges, fees and other charges permitted in this Code.

(b) Finance Charge. A Financial Services Licensee may not enter into a Small Loan Transaction with a consumer in which the scheduled finance charges exceed forty dollars (\$40.00) per one hundred dollars (\$100.00) of principal per installment period. The finance charge may be calculated, earned and scheduled for payment as agreed by the parties as long as the finance charges as originally scheduled for payment do not exceed the maximum allowable amount set forth above.

(c) Number of transactions at one time. A Licensee may enter into no more than three internet-based Small Loan Transactions with any consumer at any time.

(d) Principal Paydown Requirement. A Licensee shall require a mandatory partial pay down of at least \$10 on principal on the 6th payment and thereafter as measured on a biweekly payment basis.

(e) Garnishment Prohibited. A Licensee shall not attempt to garnish wages of consumers who are delinquent or have defaulted on their loans.

(f) Duration. A Licensee may not provide Small Loan Transactions for a term of less than three (3) days or more than twelve (12) months.

11.4. Adoption of Big Lagoon Rancheria Financial Services Ordinance. This Code adopts the Big Lagoon Rancheria Financial Services Ordinance passed by Resolution number 2013-804 ("Tribal Ordinance") and as amended from time to time by the Tribe. In the event this Code conflicts with any provisions of the Tribal Ordinance, the terms of the Code shall prevail.