



CYRUS R. VANCE, JR.
DISTRICT ATTORNEY

DISTRICT ATTORNEY – NEW YORK COUNTY

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DA VANCE ANNOUNCES INDICTMENT OF “PAYDAY” LENDERS FOR CONSPIRING TO VICTIMIZE NEW YORKERS SEEKING QUICK-FIX LOANS

Three Individuals and a Dozen Companies Charged With Criminal Usury and Conspiracy for Issuing Short-Term Loans with Annual Interest Rates Exceeding 300 Percent

Manhattan District Attorney Cyrus R. Vance, Jr., today announced the indictment of CAREY VAUGHN BROWN, 55, RONALD BEAVER, 55, and JOANNA TEMPLE, 58, as well as 12 companies they operated and controlled, for engaging in a conspiracy to make multiple short-term, high-interest loans – known as “payday” loans – to Manhattan residents. The defendants are each charged in New York State Supreme Court with 38 counts of Criminal Usury in the First Degree and one count of Conspiracy in the Fourth Degree.¹

“Payday lending is a short-term fix that can result in a lifetime of debt and credit problems,” said District Attorney Vance. “The exploitative practices – including exorbitant interest rates and automatic payments from borrowers’ bank accounts, as charged in the indictment – are sadly typical of this industry as a whole. Anyone who feels that they may be the victim of a payday lending scheme are encouraged to call my Office’s Major Economic Crimes Hotline at 212-335-9894.”

Payday loans are generally defined as loans of \$1,000 or less that are typically intended to be repaid from a borrower’s next paycheck. These loans often carry interest rates exceeding 300 percent of the principal when calculated on an annual basis for the initial term of the loan. Borrowers are often unable to repay the loan after the first two-week period. In such cases, payday lenders routinely extend loans, charging new fees for the extensions. Many borrowers end up paying double the amount of the principal loan or even more. In New York State, it

¹ The charges contained in the indictment are merely allegations, and the defendants are presumed innocent unless and until proven guilty. All factual recitations are derived from documents filed in court and statements made on the record in court.

is a crime for an unlicensed lender to charge more than 25 percent per annum interest on any loan less than \$2.5 million.

In order to issue payday loans via the internet, between 2001 and 2013, BROWN is accused of creating multiple companies: MYCASHNOW.COM, INC. (“MYCASHNOW”); CREDIT PAYMENT SERVICES, INC. (“CPS”); ACH FEDERAL, LLC (ACH FEDERAL”); CREDIT PROTECTION DEPOT, INC. (“CPD”); CLOUDSWELL, INC. aka BASENINE aka TERENINE (“CLOUDSWELL”); ACCOUNT PROS, INC. (“ACCOUNT PROS”); AREA 203 MARKETING, LLC (“AREA 203”); ENVISION MANAGEMENT GROUP, LLC (“ENVISION”); SUPPORT SEVEN, LLC (“SUPPORT SEVEN”); MILLENNIUM FINANCIAL CONCEPTS, INC. (“MILLENNIUM”) and, later, OWL’S NEST, LLC. Brown is accused of establishing MYCASHNOW as a website and offshore corporation to accept online applications for payday loans throughout the United States, including in New York County, while avoiding compliance with laws in individual states. Because MYCASHNOW had no assets, CPS performed all of the actual work of processing and underwriting the loans in Chattanooga, Tennessee, where Brown’s companies were based. After CPS processed the loans, it immediately sold them to CPD, which Brown is accused of creating to appear as an independent company with separate ownership, but which he actually controlled. ACH Federal processed the electronic transactions necessary to extend the loans and to move funds between the companies. The rest of the defendant corporations provided support for the payday lending business, creating the appearance of multiple independent companies, but, in reality, these companies functioned as providing a completely enclosed operation controlled by the defendants.

BEAVER served as the chief operating officer and TEMPLE served as legal counsel for BROWN’s payday lending business. After serving as in-house counsel for Brown’s payday lending companies, TEMPLE formed SCENIC CITY LEGAL GROUP, P.C., which derived at least 90 percent of its business from BROWN’S payday organization. BROWN, BEAVER, and TEMPLE are charged with making decisions to extend high-interest loans in states where it is illegal to do so, including New York. The defendants are also accused of continuing to extend these loans to New York residents for years, even after they had been repeatedly warned by New York State officials of the loans’ illegality.

Assistant District Attorneys Julieta V. Lozano and Kevin Wilson of the Major Economic Crimes Bureau are handling the prosecution of the case, under the supervision of Assistant District Attorney Polly Greenberg, Chief of the Major Economic Crimes Bureau, Christopher Conroy, Principal Deputy Chief of the Major Economic Crimes Bureau, and Executive Assistant District Attorney David Szuchman, Chief of the Investigation Division. Investigators Matthew Winters, Matthew Grieve, and Veronica Rodriguez assisted with the case.

District Attorney Vance thanked the Office of New York State Attorney General Eric Schneiderman for its assistance with the case.

Defendant Information:

CAREY VAUGHN BROWN, D.O.B. 10/5/58
Ooltewah, TN

RONALD BEAVER, D.O.B. 11/29/58
Chattanooga, TN

JOANNA TEMPLE, D.O.B 5/6/56
Chattanooga, TN

ACCOUNT PROS, INC.
ACH FEDERAL, LLC
AREA 203 MARKETING, LLC
CLOUDSWELL, INC. aka BASENINE aka TERENCE
CREDIT PAYMENT SERVICES, INC.
CREDIT PROTECTION DEPOT, INC.
ENVISION MANAGEMENT GROUP, LLC
MILLENNIUM FINANCIAL CONCEPTS, INC.
MYCASHNOW.COM, INC.
OWL'S NEST, LLC
SCENIC CITY LEGAL GROUP, P.C.
SUPPORT SEVEN, LLC
Chattanooga, TN

Charges:

- Criminal Usury in the First Degree, a Class C Felony, 38 Counts
- Conspiracy in the Fourth Degree, a Class E Felony, 1 Count

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