This document is scheduled to be published in the
Federal Register on 11/24/2015 and available online at
http://federalregister.gov/a/2015-29895, and on FDsys.gov

Federal Register Notice

Department of Justice
Antitrust Division

United States et al. v. Springleaf Holdings, Inc., et al.

Proposed Final Judgment and Competitive Impact Statement

Notice is hereby given pursuant to the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16(b)-(h), that a proposed Final Judgment, Asset Preservation Stipulation and Order, and Competitive Impact Statement have been filed with the United States District Court for the District of Columbia in United States et. al. v. Springleaf Holdings, Inc., et. al., Civil Action No. 15-1992 (RMC). On November 13, 2015, the United States filed a Complaint alleging that the proposed acquisition by Springleaf Holdings, Inc. of OneMain Financial Holdings, LLC would violate Section 7 of the Clayton Act, 15 U.S.C. § 18. The proposed Final Judgment, filed at the same time as the Complaint, requires Springleaf Holdings to divest 127 branches in Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington and West Virginia.

Copies of the Complaint, proposed Final Judgment and Competitive Impact Statement are available for inspection on the Antitrust Division's website at http://www.justice.gov/atr, and at the Office of the Clerk of the United States District Court for the District of Columbia. Copies of these materials may be obtained from the Antitrust Division upon request and payment of the copying fee set by Department of Justice regulations.

Public comment is invited within 60 days of the date of this notice. Such comments, including the name of the submitter, and responses thereto, will be posted on the Antitrust Division's website, filed with the Court and, under certain circumstances, published in the

Federal Register. Comments should be directed to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, Department of Justice, 450 Fifth Street NW, Suite 8700, Washington, DC 20530 (telephone: 202-307-0924).

Patricia A. Brink
Director of Civil Enforcement

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA
U.S. Department of Justice
Antitrust Division
450 Fifth Street, NW, Suite 8700
Washington, DC 20530,

STATE OF COLORADO
Colorado Department of Law
1300 Broadway, 7th Floor
Denver, CO 80203,

STATE OF IDAHO
Office of the Attorney General of Idaho
954 W. Jefferson Street, Second Floor
P.O. Box 83720
Boise, ID 83720,

COMMONWEALTH OF PENNSYLVANIA
Pennsylvania Office of Attorney General
Strawberry Square, 14th Floor
Harrisburg, PA 17120,

STATE OF TEXAS
Office of the Attorney General of Texas
300 West 15th Street, 7th Floor
Austin, TX 78701,

COMMONWEALTH OF VIRGINIA
Office of the Attorney General of Virginia
900 East Main Street
Richmond, VA 23219,

CASE NO.: 1:15-cv-01992
JUDGE: Rosemary M. Collyer
FILED: 11/13/2015

STATE OF WASHINGTON
Office of the Attorney General of Washington
800 Fifth Avenue, Suite 2000
Seattle, WA 98104,

and

STATE OF WEST VIRGINIA
Office of the Attorney General of West Virginia
269 Aikens Center
Martinsburg, WV 25404

Plaintiffs,

v.

SPRINGLEAF HOLDINGS, INC.
601 N.W. Second Street
Evansville, IN 47708,

ONEMAIN FINANCIAL HOLDINGS, LLC
300 Saint Paul Place
Baltimore, MD 21202,

and

CITIFINANCIAL CREDIT COMPANY
c/o CITIGROUP INC.
399 Park Avenue
New York, NY 10022

Defendants.

COMPLAINT

The United States of America ("United States"), acting under the direction of the Attorney General of the United States, and the States of Colorado, Idaho, Texas, Washington and West Virginia and the Commonwealths of Pennsylvania and Virginia (collectively, "Plaintiff States"), acting by and through their respective Offices of the Attorney General, bring this civil action to enjoin the proposed acquisition of OneMain Financial Holdings, LLC ("OneMain") by Springleaf Holdings, Inc. ("Springleaf") and to obtain other equitable relief.

I. NATURE OF THE ACTION

1. OneMain and Springleaf are the two largest lenders that offer personal installment loans to subprime borrowers in the United States, and the only two with a nationwide branch network. Personal installment loans to subprime borrowers are fixed-rate, fixed-term and fully amortized loan products that appeal to borrowers who have limited access to credit from traditional banking institutions. OneMain and Springleaf specialize in the same products (large installment loans typically ranging from $3,000 to $6,000), target the same customer base, and often operate branches within close proximity to one another.

2. In local markets across Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia, Springleaf and OneMain face limited competition for the provision of personal installment loans to subprime borrowers and serve as each other's closest – and often only – competitor. Elimination of the competition between Springleaf and OneMain would leave subprime borrowers seeking personal installment loans with few choices. This reduction in consumer choice may drive many financially struggling borrowers to much more expensive forms of credit or, worse, leave them with no reasonable alternative. As a result, Springleaf's proposed acquisition of OneMain likely would substantially lessen competition in the provision of personal installment loans to subprime borrowers in numerous local markets, in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18.

II. THE DEFENDANTS AND THE TRANSACTION

3. Defendant Springleaf is a Delaware corporation headquartered in Evansville, Indiana. Springleaf is the second-largest provider of personal installment loans to subprime borrowers in the United States, with approximately 830 branches in 27 states. Springleaf has a consumer loan portfolio that totals $4.0 billion.

4. Defendant OneMain, a Delaware limited liability company headquartered in Baltimore, Maryland, is the largest provider of personal installment loans to subprime borrowers

in the United States, with 1,139 branch locations in 43 states. OneMain has a consumer loan portfolio that totals $8.4 billion. OneMain is a subsidiary of Defendant CitiFinancial Credit Company ("CitiFinancial"), a Delaware corporation headquartered in Dallas, Texas. CitiFinancial is a holding company that is a wholly owned subsidiary of Citigroup, Inc.

5. Pursuant to a Purchase Agreement dated March 2, 2015, Springleaf agreed to purchase OneMain from CitiFinancial for $4.25 billion.

III. JURISDICTION AND VENUE

6. The United States brings this action pursuant to Section 15 of the Clayton Act, 15 U.S.C. § 25, as amended, to prevent and restrain Defendants from violating Section 7 of the Clayton Act, 15 U.S.C. § 18.

7. The Plaintiff States bring this action under Section 16 of the Clayton Act, 15 U.S.C. § 26, to prevent and restrain Springleaf and OneMain from violating Section 7 of the Clayton Act, 15 U.S.C. § 18. The Plaintiff States, by and through their respective Offices of the Attorney General, bring this action as *parens patriae* on behalf of the citizens, general welfare, and economy of each of their states.

8. The Court has subject matter jurisdiction over this action pursuant to Section 15 of the Clayton Act, 15 U.S.C. § 25, and 28 U.S.C. §§ 1331, 1337(a), and 1345. Defendants offer personal installment loans to customers in the United States in a regular, continuous, and substantial flow of interstate commerce. Defendants' activities in the provision of personal installment loans have had a substantial effect upon interstate commerce.

9. Defendants have consented to venue and personal jurisdiction in this District. Therefore, venue in this District is proper under Section 12 of the Clayton Act, 15 U.S.C. § 22, and 28 U.S.C. § 1391(b) and (c).

IV. TRADE AND COMMERCE

A. Personal Installment Loans to Subprime Borrowers

10. The average size of a personal installment loan typically falls in the range of $3,000 to $6,000. Personal installment loans to subprime borrowers are closed-end, fixed-rate, fixed-term, and fully amortized loan products. In a fully amortized loan, both principal and interest are paid fully through scheduled installments by the end of the loan term, which typically is between 18 and 60 months in duration. Each monthly payment is the same amount and the schedule of payments is clear. If the borrower makes each scheduled payment, at the end of the loan term, the loan is repaid in full.

11. Personal installment lenders target a unique segment of borrowers who may not be able to obtain cheaper sources of credit from other financial institutions but have enough cash flow to afford the monthly payments of personal installment loans. Borrowers of personal installment loans are considered "subprime" because of blemishes in their credit histories, such as serious delinquencies or defaults. These borrowers likely have been denied credit by a bank in the past and turn to personal installment lenders for the speed, ease, and likelihood of success in obtaining credit. Their borrowing needs vary, for example, from paying for unexpected

expenses, such as car repairs or medical bills, to consolidating debts. A typical subprime borrower's annual income is in the range of $35,000 to $45,000.

12. The blemished credit histories of subprime borrowers suggest a higher propensity for default on future loans relative to so-called "prime" borrowers. Personal installment lenders mitigate this credit risk by closely analyzing a borrower's characteristics and ability to repay the loan. The lender examines several categories of information about the borrower, including, among other criteria, credit history, income and outstanding debts, stability of employment, and availability or value of collateral. Lenders typically require borrowers to meet face-to-face at a branch location to close the loan, even if the application begins online. This face-to-face meeting allows the lender to efficiently collect information used in underwriting and verify key documents (reducing the risk of fraud). Subprime borrowers seeking installment loans also value having a branch office close to where they live or work; a nearby branch reduces the borrower's travel cost to close the loan and allows convenient and timely access to loan proceeds. If approved, borrowers immediately obtain the funds at the branch.

13. Local branch presence also helps lenders and borrowers establish close customer relationships during the life of the loan. Local branch employees monitor delinquent payments of existing customers and assist borrowers in meeting their payment obligations to minimize loan loss. Borrowers also benefit from knowing the local branch employees. Borrowers may visit a branch to make payments, refinance their loans, or speak with a branch employee at times of financial difficulties. Lenders place branches where their target borrowers live or work so that it is convenient for their borrowers to come into a branch.

14. The interest rate on a personal installment loan is the largest component of the total cost of a loan. Other costs, such as origination fees, maintenance fees, and closing fees, increase the effective interest rate that a borrower will pay. The Annual Percentage Rate ("APR") combines the two components, interest rates and fees, to indicate the annual charges associated with the loan. Although the maximum interest rates and fees charged on personal installment loans vary by state, Springleaf and OneMain have a self-imposed interest rate cap of 36 percent on their respective loans.

15. While borrowers consider APR in selecting a loan, subprime borrowers typically focus most on the monthly payment and on the ease and speed of obtaining approval. Subprime borrowers' main concerns are whether the payment will fit into their monthly budget and whether they can obtain the money quickly to meet their needs. For these reasons, negotiations between borrowers and lenders tend to focus more on the amount of the loan, the repayment terms, and collateral requirements than on the rates and fees. When a subprime borrower needs or wants a lower monthly payment, personal installment lenders generally lower the amount of the loan or lengthen the term of the loan.

16. Every state requires personal installment lenders to obtain licenses to offer loans to subprime borrowers. Many states also have regulations governing the interest rates and fees on loans charged by consumer finance companies licensed to operate in the state. Some states impose a maximum rate and fee for all personal installment loans, while others have a tiered-rate system that establishes different interest rates and fees for different loan amounts. State regulations significantly affect the number of personal installment lenders offering loans to subprime lenders in the state.

B. Relevant Product Market

17. Subprime borrowers turn to personal installment loans when they need cash but have limited access to credit from banks, credit card companies, and other lenders. The products

offered by these lenders are not meaningful substitutes for personal installment loans for a substantial number of subprime borrowers.

18. Banks and credit unions offer personal installment loans at rates and terms much better than those offered by personal installment lenders, but subprime borrowers typically do not meet the underwriting criteria of those institutions and are unlikely to be approved. Further, the loan application and underwriting process at banks and credit unions typically take much longer than that of personal installment lenders, who can provide subprime borrowers with funds on a far quicker timetable. For these and other reasons, subprime borrowers would not turn to banks and credit unions as an alternative in the event personal installment lenders were to increase the interest rate or otherwise make their loan terms less appealing by a small but significant amount.

19. Payday and title lenders provide short-term cash, but charge much higher rates and fees, usually lend in amounts well below $1,000, and require far quicker repayment than personal installment lenders. Specifically, rates and fees for these types of short-term cash advances can exceed 250 percent APR with repayment generally due in less than 30 days. Given these key differences, subprime borrowers likely would not turn to payday and title loans as an alternative in the event personal installment lenders were to increase the interest rate or otherwise make their loan terms less appealing by a small but significant amount.

20. Most subprime borrowers also cannot turn to credit cards as an alternative to personal installment loans. Subprime borrowers frequently have difficulty obtaining credit cards, and those who have credit cards have often reached their maximum available credit limits (which are much lower than those given to prime borrowers), or have limited access to additional credit extensions. Although subprime borrowers may use credit cards for everyday purchases, such as groceries or dining out, they typically have insufficient remaining credit to pay for larger expenses such as major car repairs or significant medical bills. Subprime borrowers therefore could not generally turn to credit cards as an alternative in the event lenders offering personal installment loans to subprime borrowers were to increase the interest rate or otherwise make their loan terms less appealing by a small but significant amount.

21. Finally, although online lenders have been successful in making loans to prime borrowers, they face challenges in meeting the needs of and mitigating the credit risk posed by subprime borrowers. Without a local branch presence, online lenders do not maintain close customer relationships, nor can they conduct face-to-face meetings to verify key documents, measures which reduce the risk of fraud and borrower default. Online lenders tend to focus on borrowers with better credit profiles or higher incomes than the borrowers typically served by personal installment lenders with branches in local markets. Furthermore, online lenders are unable to process an application and distribute loan proceeds as quickly as local personal installment lenders. For these reasons, subprime borrowers generally would not turn to loans offered by online lenders in the event lenders offering personal installment loans to subprime borrowers were to increase the interest rate or otherwise make their loan terms less appealing by a small but significant amount.

22. Accordingly, the provision of personal installment loans to subprime borrowers is a line of commerce and a relevant product market within the meaning of Section 7 of the Clayton Act.

C. Relevant Geographic Market

23. Subprime borrowers seeking personal installment loans value convenience, which includes quick access to the borrowed funds and minimal travel time. Consequently, subprime borrowers considering a personal installment lender look for a branch near where they live or where they work. While the distance a borrower is willing to travel may vary by geography, the

vast majority of subprime borrowers travel less than twenty miles to a branch for a personal installment loan.

24. Personal installment lenders have established local trade areas for their branches. Lenders usually rely on direct mail solicitations as the primary means of marketing and solicit customers who live within close proximity to their branches. Lenders who place branches in the same areas compete to serve the same target borrower base. Borrowers view lenders with branches in close proximity to each other as close substitutes.

25. For these reasons, the overlapping trade areas of competing personal installment lenders form geographic markets where the lenders located within the trade areas compete for subprime borrowers who live or work near the branches. The size and shape of the overlapping trade areas of these branches may vary as the distance borrowers are willing to travel depends on factors specific to each local area. Even so, typically more than three-quarters of the personal installment loans to subprime borrowers made by a given branch are made to borrowers residing within twenty miles of the branch. Personal installment lenders with branches located outside these trade areas usually are not convenient alternatives for borrowers.

26. Springleaf and OneMain have a high degree of geographic overlap between their branch networks. In local areas within and around 126 towns and municipalities in eleven states – Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia – Springleaf and OneMain have branches located within close proximity of one another, often within five miles. In these overlapping trade areas of Springleaf's and OneMain's branches, few other lenders have branches offering personal installment loans to subprime borrowers. In many of these overlapping trade areas, Springleaf and OneMain are the only two personal installment lenders.

27. In local areas within and around 126 towns and municipalities in Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia, subprime borrowers of personal installment loans would not seek such loans outside the local areas in the event lenders offering personal installment loans to subprime borrowers were to increase the interest rate or otherwise make their loans less appealing by a small but significant amount. Accordingly, the overlapping trade areas located in the 126 towns and municipalities identified in the Appendix hereto constitute relevant geographic markets within the meaning of Section 7 of the Clayton Act.

D. Anticompetitive Effects

28. Springleaf and OneMain are the two largest providers of personal installment loans to subprime borrowers in the United States. Both companies have a long history in the business of providing personal installment loans to subprime borrowers, have built an extensive branch network, and have established close ties to the local communities. Leveraging their years of experience and large customer base, both companies have developed sophisticated risk analytics that allow them to minimize expected credit losses when extending loans to borrowers with blemished credit histories.

29. Compared to Springleaf and OneMain, other lenders that offer personal installment loans to subprime borrowers have much smaller branch footprints and are present in a more limited number of states and local markets. These personal installment lenders may operate in states with regulations that permit higher interest rates and fees, rather than in those with low interest rate caps. State regulations, lack of scale, and other economic factors have limited the competitive presence of these lenders in many states and local areas.

30. In local markets within and around the 126 towns and municipalities in Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia identified in the Appendix, the market for the provision of personal installment loans to subprime borrowers is highly concentrated. In the local areas within these states, Springleaf and OneMain are the largest providers of personal installment loans to subprime borrowers, and face little, if any, competition from other personal installment lenders. Even if other providers of personal installment loans to subprime borrowers have a branch presence in these states, these lenders compete in a limited number of local markets or in communities located far from a Springleaf or OneMain branch. As a result, these local markets are highly concentrated.

31. In local markets within and around the 126 towns and municipalities in Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia identified in the Appendix, the proposed acquisition would substantially increase concentration in the market for personal installment loans to subprime borrowers. Without the benefit of head-to-head competition between Springleaf and OneMain, subprime borrowers are likely to face higher interest rates or fees, greater limits on the amount they can borrow and restraints on their ability to obtain loans, and more onerous loan terms. The proposed acquisition therefore likely will substantially lessen competition in the provision of personal installment loans to subprime borrowers.

E. Entry

32. Entry of additional competitors into the provision of personal installment loans to subprime borrowers in local markets in Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia is unlikely to be timely or sufficient to defeat the likely anticompetitive effects of the proposed acquisition. In some states, the state regulatory rate caps create unattractive markets for entry. In others, lenders face entry barriers in terms of cost and time to establish a local branch presence. Personal installment lenders need experienced branch employees with knowledge of the local market to build a base of customer relationships. A new lender in a local market faces more risks as it does not have knowledge of local market conditions. A lender also must obtain funding and devote resources to building a successful local presence.

33. As a result of these barriers, entry into the provision of personal installment loans to subprime borrowers in the local markets identified above would not be timely, likely, or sufficient to defeat the substantial lessening of competition that likely would result from Springleaf's acquisition of OneMain**.**

V. VIOLATION ALLEGED

34. The acquisition of OneMain by Springleaf likely would substantially lessen competition in the provision of personal installment loans to subprime borrowers in the relevant geographic markets identified the Appendix, in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18.

35. Unless enjoined, the proposed acquisition likely would have the following anticompetitive effects, among others:

a. actual and potential competition between Springleaf and OneMain in the provision of personal installment loans to subprime borrowers in local markets in Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia would be eliminated;

b. competition generally in the provision of personal installment loans to subprime borrowers in local markets in Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia would be substantially lessened; and
c. prices and other terms for personal installment loans to subprime borrowers in local markets in Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia would become less favorable to consumers and access to such loans by subprime borrowers would decrease.

VI. REQUESTED RELIEF

36. Plaintiffs request that the Court:

a. adjudge and decree that Springleaf's proposed acquisition of OneMain is unlawful and in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18;
b. preliminarily and permanently enjoin and restrain Defendants and all persons acting on their behalf from entering into any other agreement, understanding, or plan by which Springleaf would acquire OneMain;
c. award Plaintiffs their costs for this action; and
d. grant Plaintiffs such other and further relief as the Court deems just and proper.

DATED: November 13, 2015

Respectfully submitted,

FOR PLAINTIFF UNITED STATES OF AMERICA:

_______________/s/____________________
WILLIAM J. BAER (D.C. Bar # 324723)
Assistant Attorney General

_________________/s/__________________
MARIBETH PETRIZZI (D.C. Bar #435204)
Chief, Litigation II Section

_______________/s/____________________
RENATA B. HESSE (D.C. Bar # 466107)
Deputy Assistant Attorney General

_________________/s/__________________
DOROTHY FOUNTAIN (D.C. Bar #439469)
Assistant Chief, Litigation II Section

_______________/s/____________________
PATRICIA A. BRINK
Director of Civil Enforcement

_________________/s/__________________
ANGELA TING (D.C. Bar #449576)
STEPHANIE FLEMING
LESLIE PERTIZ
JAY D. OWEN
TARA SHINNICK (D.C. Bar #501462)
REBECCA VALENTINE (D.C. Bar # 989607)

United States Department of Justice
Antitrust Division, Litigation II Section
450 Fifth Street, N.W., Suite 8700
Washington, D.C. 20530
(202) 616-7721
(202) 514-9033 (Facsimile)
angela.ting@usdoj.gov

FOR PLAINTIFF STATE OF COLORADO:

CYNTHIA H. COFFMAN
Attorney General of Colorado

_______________/s/________________

DEVIN LAIHO
Assistant Attorney General
Consumer Protection Section
Colorado Department of Law
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 7th Floor
Denver, CO 80203
(720) 508-6219
(720) 508-6040 (Facsimile)
devin.laiho@state.co.us

FOR PLAINTIFF STATE OF IDAHO:

LAWRENCE G. WASDEN
Attorney General of Idaho

_______________/s/________________
BRETT T. DELANGE
Idaho State Bar No. 3628
Deputy Attorney General
Consumer Protection Division
Office of the Attorney General of Idaho
954 W. Jefferson Street, Second Floor
P.O. Box 83720
Boise, ID 83720
(208) 334-4114
(208) 334-4151 (facsimile)
brett.delange@ag.idaho.gov

FOR PLAINTIFF COMMONWEALTH OF PENNSYLVANIA:

Tracy W. Wertz
Chief Deputy Attorney General
Antitrust Section

______________/s/_______________
Joseph S. Betsko
State Bar No. 82620
Senior Deputy Attorney General
Antitrust Section
Pennsylvania Office of Attorney General
Strawberry Square, 14th Floor
Harrisburg, PA 17120
(717) 787-4530
(717) 787-1190 (facsimile)
jbetsko@attorneygeneral.gov

FOR PLAINTIFF STATE OF TEXAS:

KEN PAXTON
Attorney General of Texas

CHARLES E. ROY
First Assistant Attorney General

JAMES E. DAVIS
Deputy Attorney General for Civil Litigation

JOHN T. PRUD'HOMME
Chief, Consumer Protection Division

KIM VAN WINKLE
Chief, Antitrust Section

_______________/s/________________
MARK A. LEVY
Assistant Attorney General
Consumer Protection Division, Antirust Section
Office of the Attorney General of Texas
300 W. 15th Street, 7th Floor
Austin, TX 78701
(512) 936-1847
(512) 320-0975 (Facsimile)
mark.levy@texasattorneygeneral.gov

FOR PLAINTIFF COMMONWEALTH OF VIRGINIA:

MARK R. HERRING
Attorney General of Virginia

CYNTHIA E. HUDSON
Chief Deputy Attorney General

RHODES B. RITENOUR
Deputy Attorney General for Civil Litigation

______________/s/_______________
DAVID B. IRVIN
Virginia State Bar No. 23927
Senior Assistant Attorney General and Chief
MARK S. KUBIAK
Virginia State Bar No. 73119
Assistant Attorney General
Consumer Protection Section
Office of the Attorney General of Virginia
900 East Main Street
Richmond, Virginia 23219
Phone: (804) 786-4047
Facsimile: (804) 786-0122
dirvin@oag.state.va.us

FOR PLAINTIFF STATE OF WASHINGTON:

ROBERT W. FERGUSON
Attorney General of Washington

DARWIN P. ROBERTS
Deputy Attorney General

JONATHAN A. MARK
Chief, Antitrust Division

______________/s/_______________
STEPHEN T. FAIRCHILD
State Bar No. 41214
Assistant Attorney General
Antitrust Division
Office of the Attorney General of Washington
800 Fifth Avenue, Suite 2000
Seattle, WA 98104
(206) 389-2848
(206) 464-6338 (Facsimile)
stephenf2@atg.wa.gov

FOR PLAINTIFF STATE OF WEST VIRGINIA:

PATRICK MORRISEY
Attorney General of West Virginia

ANN L. HAIGHT
Deputy Attorney General
Director, Consumer Protection and
Antitrust Division

_______________/s/________________
TANYA L. GODFREY
West Virginia State Bar No. 7448
District of Columbia Bar No. 1016435
Assistant Attorney General
Consumer Protection Division
Office of the Attorney General of West Virginia
269 Aikens Center
Martinsburg, WV 25404
(304) 267-0239
(304) 267-0248 (Facsimile)
tanya.l.godfrey@wvago.gov

APPENDIX

CITY	**STATE**
PHOENIX	AZ
TEMPE	AZ
TUCSON	AZ
ANAHEIM	CA
ANTIOCH	CA
BAKERSFIELD	CA
CHICO	CA
CHULA VISTA	CA
SACRAMENTO	CA
ESCONDIDO	CA
FREMONT	CA
FRESNO	CA
HANFORD	CA
LEMON GROVE	CA
LONG BEACH	CA
MADERA	CA
MERCED	CA
MODESTO	CA
OXNARD	CA
PALMDALE	CA
PARAMOUNT	CA
PASADENA	CA
POMONA	CA
RANCHO CUCAMONGA	CA
REDDING	CA
RIALTO	CA
SAN FERNANDO	CA
SANTA ANA	CA
SANTA MARIA	CA
SOUTH SAN FRANCISCO	CA
STOCKTON	CA
TORRANCE	CA
COLORADO SPRINGS	CO
FORT COLLINS	CO
PUEBLO	CO
AURORA	CO
THORNTON	CO
LITTLETON	CO
TWIN FALLS	ID

COEUR D'ALENE	ID
POCATELLO	ID
BOISE	ID
FOREST CITY	NC
HENDERSON	NC
MOREHEAD CITY	NC
MOUNT AIRY	NC
KINSTON	NC
WILKESBORO	NC
SHELBY	NC
WILSON	NC
CHARLOTTE	NC
DURHAM	NC
CLINTON	NC
KERNERSVILLE	NC
WILLIAMSTON	NC
REIDSVILLE	NC
ALBEMARLE	NC
MORGANTON	NC
MARION	NC
ASHTABULA	OH
ATHENS	OH
CAMBRIDGE	OH
GARFIELD HEIGHTS	OH
REYNOLDSBURG	OH
FAIRBORN	OH
DOVER	OH
GALLIPOLIS	OH
LIMA	OH
ONTARIO	OH
SANDUSKY	OH
TOLEDO	OH
CHILLICOTHE	OH
ELYRIA	OH
FAIRLAWN	OH
LANCASTER	OH
MARION	OH
WOOSTER	OH
CHELTENHAM	PA
LANCASTER	PA
JOHNSTOWN	PA
MONACA	PA
E. NORRITON TWP	PA
SHAMOKIN DAM	PA

STATE COLLEGE	PA
TANNERSVILLE	PA
UPPER DARBY	PA
WASHINGTON	PA
BURLESON	TX
AMARILLO	TX
BEAUMONT	TX
BRYAN	TX
DEL RIO	TX
DENTON	TX
LAKE JACKSON	TX
LUFKIN	TX
ODESSA	TX
SAN ANGELO	TX
CHRISTIANSBURG	VA
ALTAVISTA	VA
COLLINSVILLE	VA
DANVILLE	VA
FARMVILLE	VA
FRONT ROYAL	VA
GALAX	VA
LEESBURG	VA
PETERSBURG	VA
RICHMOND	VA
SOUTH HILL	VA
STAUNTON	VA
SUFFOLK	VA
TAPPAHANNOCK	VA
WOODBRIDGE	VA
BREMERTON	WA
EVERETT	WA
KENNEWICK	WA
MOUNT VERNON	WA
OLYMPIA	WA
RENTON	WA
SPOKANE	WA
UNION GAP	WA
LOGAN	WV
PRINCETON	WV
LEWISBURG	WV
BARBOURSVILLE	WV
OAK HILL	WV
SOUTH CHARLESTON	WV

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, STATE OF COLORADO, STATE OF IDAHO, COMMONWEALTH OF PENNSYLVANIA, STATE OF TEXAS, COMMONWEALTH OF VIRGINIA, STATE OF WASHINGTON, and STATE OF WEST VIRGINIA, *Plaintiffs,* v. SPRINGLEAF HOLDINGS, INC., ONEMAIN FINANCIAL HOLDINGS, LLC, and CITIFINANCIAL CREDIT COMPANY, *Defendants.*	**CASE NO.**: 1:15-cv-01992 **JUDGE**: Rosemary M. Collyer **FILED**: 11/13/2015

COMPETITIVE IMPACT STATEMENT

Plaintiff United States of America ("United States"), pursuant to Section 2(b) of the Antitrust Procedures and Penalties Act ("APPA" or "Tunney Act"), 15 U.S.C. § 16(b)-(h), files this Competitive Impact Statement relating to the proposed Final Judgment submitted for entry in this civil antitrust proceeding.

I. NATURE AND PURPOSE OF THE PROCEEDING

Pursuant to a Stock Purchase Agreement dated March 2, 2015, Springleaf Holdings, Inc. proposes to acquire OneMain Financial Holdings, LLC from CitiFinancial Credit Company, a wholly owned subsidiary of Citigroup, Inc., for approximately $4.25 billion. The proposed merger would combine the two largest providers of personal installment loans to subprime borrowers in the United States.

The United States filed a civil antitrust Complaint on November 13, 2015, seeking to enjoin the proposed acquisition. The Complaint alleges that the acquisition likely would substantially lessen competition for personal installment loans to subprime borrowers in numerous local markets across eleven states, in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18. That loss of competition likely would result in a reduction of consumer choice that may drive financially struggling borrowers to much more expensive forms of credit or, worse, leave them with no reasonable alternative.

At the same time the Complaint was filed, the United States filed an Asset Preservation Stipulation and Order and a proposed Final Judgment designed to eliminate the anticompetitive effects of the acquisition. Under the proposed Final Judgment, which is explained more fully below, Springleaf is required to divest 127 branches in eleven states to Lendmark Financial Services, or to one or more other Acquirers acceptable to the United States. Under the terms of the Asset Preservation Stipulation and Order, Springleaf will take certain steps to ensure that the divestiture branches are operated as competitively independent, economically viable, and ongoing business concerns; that they remain independent and uninfluenced by the consummation of the acquisition; and that competition is maintained during the pendency of the ordered divestiture.

The United States and Defendants have stipulated that the proposed Final Judgment may be entered after compliance with the APPA. Entry of the proposed Final Judgment would terminate this action, except that the Court would retain jurisdiction to construe, modify, or enforce the provisions of the proposed Final Judgment and to punish violations thereof.

II. DESCRIPTION OF THE EVENTS GIVING RISE TO THE ALLEGED VIOLATION

A. The Defendants and the Proposed Transaction

Defendant Springleaf Holdings, Inc. ("Springleaf") is a Delaware corporation with its headquarters in Evansville, Indiana. Springleaf is the second-largest provider of personal installment loans to subprime borrowers in the United States. Springleaf operates approximately 830 branches in 27 states and has a consumer loan portfolio of about $4.0 billion.

Defendant OneMain Financial Holdings, LLC ("OneMain") is a Delaware limited liability company, headquartered in Baltimore, Maryland. OneMain is the largest provider of personal installment loans to subprime borrowers in the United States. OneMain operates 1,139 branches in 43 states and has a consumer loan portfolio that totals $8.4 billion. OneMain is a subsidiary of CitiFinancial Credit Company, a holding company that is a wholly owned subsidiary of Citigroup, Inc.

B. Background on Personal Installment Loans to Subprime Borrowers

Personal installment loans to subprime borrowers are closed-end, fixed-rate, fixed-term, and fully amortized loan products that typically range from $3,000 to $6,000. Both the principal and interest are paid fully through scheduled installments by the end of the loan term, which typically is between 18 and 60 months in duration. Each monthly payment is the same amount and the schedule of payments is clear.

Personal installment lenders target a unique segment of borrowers who may not be able to obtain cheaper sources of credit from other financial institutions but have enough cash flow to afford the monthly payments of personal installment loans. Borrowers of personal installment loans are considered "subprime" because of blemishes in their credit histories, such as serious delinquencies or defaults. These borrowers likely have been denied credit by a bank in the past and turn to personal installment lenders for the speed, ease, and likelihood of success in obtaining credit. Their borrowing needs vary, for example, from paying for unexpected expenses, such as car repairs or medical bills, to consolidating debts. A typical subprime borrower's annual income is in the range of $35,000 to $45,000.

The blemished credit histories of subprime borrowers suggest a higher propensity for default on future loans relative to so-called "prime" borrowers. Personal installment lenders mitigate this credit risk by closely analyzing a borrower's characteristics and ability to repay the loan, including the borrower's credit history, income and outstanding debts, stability of employment, and availability or value of collateral. Lenders typically require borrowers to meet face-to-face at a branch location to close the loan, even if the application begins online. This face-to-face meeting allows the lender to efficiently collect information used in underwriting and verify key documents (reducing the risk of fraud). Subprime borrowers seeking installment loans also value having a branch office close to where they live or work; a nearby branch reduces the borrower's travel cost to close the loan and allows convenient and timely access to loan proceeds. If approved, borrowers immediately obtain the funds at the branch.

Local branch presence also helps lenders and borrowers establish close customer relationships during the life of the loan. Local branch employees monitor delinquent payments of existing customers and assist borrowers in meeting their payment obligations to minimize loan loss. Borrowers also benefit from knowing the local branch employees. Borrowers may visit a branch to make payments, refinance their loans, or speak with a branch employee at times of financial difficulties. Lenders place branches where their target borrowers live or work so that it is convenient for their borrowers to come in to a branch.

The interest rate on a personal installment loan is the largest component of the total cost of a loan, but other fees increase the effective interest rate that a borrower will pay. The Annual Percentage Rate ("APR") combines the interest rates and fees to indicate the annual charges associated with the loan. Although the maximum interest rates and fees charged on personal installment loans vary by state, Springleaf and OneMain have a self-imposed interest rate cap of 36 percent on their respective loans.

While subprime borrowers consider APR in selecting a loan, they typically focus most on the monthly payment and on the ease and speed of obtaining approval. For these reasons, negotiations between borrowers and lenders tend to focus more on the amount of the loan, the repayment terms, and collateral requirements than on the rates and fees.

Every state requires personal installment lenders to obtain licenses to offer loans to subprime borrowers. Many states also have regulations governing the interest rates and fees on personal installment loans, with some states imposing maximum rates and fees and others utilizing a tiered-rate system that establishes different interest rates and fees for different loan amounts. The nature of state regulations significantly affects the number of personal installment lenders operating in a state.

C. Relevant Product Market

Subprime borrowers turn to personal installment loans when they need cash but have limited access to credit from banks, credit card companies, and other lenders. As explained in the Complaint, the products offered by these lenders are not meaningful substitutes for personal installment loans for a substantial number of subprime borrowers.

For example, banks and credit unions offer personal installment loans at rates and terms much better than those offered by personal installment lenders, but subprime borrowers typically do not meet the underwriting criteria of those institutions and are unlikely to be approved. Further, the loan application and underwriting process at banks and credit unions typically take much longer than that of personal installment lenders.

Payday and title lenders provide short-term cash, but charge much higher rates and fees, usually lend in amounts well below $1,000, and require far quicker repayment than personal installment lenders. Rates and fees for these types of short-term cash advances can exceed 250 percent APR with repayment generally due in less than 30 days.

Credit cards are also not a viable alternative for most subprime borrowers. Subprime borrowers may have difficulty obtaining credit cards, and those who have credit cards have often reached their credit limits and have limited access to additional credit extensions. Although subprime borrowers may use credit cards for everyday purchases, they typically have insufficient remaining credit to pay for larger expenses such as major car repairs or significant medical bills.

Finally, although online lenders have been successful in making loans to prime borrowers, they face challenges in meeting the needs of and mitigating the credit risk posed by subprime borrowers. Without a local branch presence, online lenders do not maintain close customer relationships, nor can they conduct face-to-face meetings to verify key documents, measures which reduce the risk of fraud and borrower default. Online lenders are also unable to process applications and distribute loan proceeds as quickly as local personal installment lenders.

For all of these reasons, as explained in the Complaint, subprime borrowers generally would not turn to banks and credit unions, payday and title lenders, credit cards, or online lenders in the event lenders offering personal installment loans to subprime borrowers were to increase the interest rate or otherwise make their loan terms less appealing by a small but significant amount. Accordingly, the Complaint alleges that the provision of personal installment loans to subprime borrowers is a line of commerce and a relevant product market within the meaning of Section 7 of the Clayton Act.

D. Relevant Geographic Market

As explained in the Complaint, subprime borrowers seeking personal installment loans value convenience, including quick access to borrowed funds and minimal travel time, and look for a branch near where they live or work. While the distance a borrower is willing to travel may vary by geography, the vast majority of subprime borrowers travel less than twenty miles to a branch for a personal installment loan.

Personal installment lenders have established local trade areas for their branches. Lenders usually rely on direct mail solicitations as the primary means of marketing and solicit customers who live within close proximity to their branches. Lenders who place branches in the same areas compete to serve the same target borrower base. Borrowers view lenders with branches in close proximity to each other as close substitutes.

For these reasons, the overlapping trade areas of competing personal installment lenders form geographic markets where the lenders located within the trade areas compete for subprime borrowers who live or work near the branches. The size and shape of the overlapping trade areas of these branches may vary as the distance borrowers are willing to travel depends on factors specific to each local area. Even so, typically more than three-quarters of the personal installment loans to subprime borrowers made by a given branch are made to borrowers residing within twenty miles of the branch. Personal installment lenders with branches located outside these trade areas usually are not convenient alternatives for borrowers.

Springleaf and OneMain have a high degree of geographic overlap between their branch networks. In local areas within and around 126 towns and municipalities in eleven states –

Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia – Springleaf and OneMain have branches located within close proximity of one another, often within five miles. In these overlapping trade areas of Springleaf's and OneMain's branches, few, if any, other lenders have branches offering personal installment loans to subprime borrowers.

According to the Complaint, in local areas within and around the 126 towns and municipalities in Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia, subprime borrowers of personal installment loans would not seek such loans outside the local areas in the event lenders offering personal installment loans to subprime borrowers were to increase the interest rate or otherwise make their loans less appealing by a small but significant amount. Accordingly, the overlapping trade areas located in the 126 towns and municipalities identified in the Appendix attached to the Complaint constitute relevant geographic markets within the meaning of Section 7 of the Clayton Act.

E. Anticompetitive Effects

As alleged in the Complaint, Springleaf and OneMain are the two largest providers of personal installment loans to subprime borrowers in the United States. Both companies have a long history in the business, an extensive branch network, and close ties to the local communities in which they operate. Both companies have used their years of experience and large customer base to develop sophisticated risk analytics that allow them to minimize expected credit losses. Other lenders that offer personal installment loans to subprime borrowers have much smaller branch footprints and are present in fewer states and local markets than Springleaf and OneMain.

In local markets within and around the 126 towns and municipalities in Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia identified in the Appendix to the Complaint, the market for the provision of personal installment loans to subprime borrowers is highly concentrated. In these local markets, Springleaf and OneMain are the largest providers of personal installment loans to subprime borrowers, and face little, if any, competition from other personal installment lenders. The Complaint alleges that the proposed acquisition would substantially increase concentration in these local markets and likely would result in subprime borrowers facing higher interest rates or fees, greater limits on the amount they can borrow and restraints on their ability to obtain loans, and more onerous loan terms. The proposed acquisition therefore likely will substantially lessen competition in the provision of personal installment loans to subprime borrowers.

F. Difficulty of Entry

According to the Complaint, entry of additional competitors into the provision of personal installment loans to subprime borrowers in the 126 local markets in Arizona, California, Colorado, Idaho, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, and West Virginia identified in the Complaint is unlikely to be timely or sufficient to defeat the likely anticompetitive effects of the proposed acquisition. In some states, the state regulatory rate caps create unattractive markets for entry. In others, lenders face entry barriers in terms of cost and time to establish a local branch presence. Personal installment lenders need experienced branch employees with knowledge of the local market to build a base of customer relationships. A new lender in a local market faces more risks as it does not have knowledge of local market conditions. A lender also must obtain funding and devote resources to building a successful local presence. As a result of these barriers, entry is unlikely to remedy the anticompetitive effects of the proposed acquisition.

III. EXPLANATION OF THE PROPOSED FINAL JUDGMENT

The divestiture required by the proposed Final Judgment will eliminate the anticompetitive effects of the acquisition by establishing an independent and economically viable competitor in the provision of personal installment loans to subprime borrowers in each of the local markets of concern.

Specifically, Paragraphs IV(A) and IV(B) of the proposed Final Judgment requires Defendants to divest 127 Springleaf branches, which are identified in the Attachment to the proposed Final Judgment, to Lendmark Financial Services or to one or more alternative Acquirers acceptable to the United States. The branches to be divested are located in the local markets within and around the 126 towns and municipalities identified in the Appendix to the Complaint. The divestiture will establish Lendmark or an alternative Acquirer as a new, independent and economically viable competitor in some states and will allow Lendmark or an alternative Acquirer to compete in new local areas and to enhance its competitive presence in others.

The divestiture of the 127 Springleaf branches includes all active loans originated or serviced at those branches, including all historical performance information (including account-level payment histories) and all customers' credit scores and other credit metrics with respect to loans that are active, closed, paid-off, or defaulted that have been originated or serviced at the Divestiture Branches at any point since January 1, 2010. The historical performance information will allow a lender to gain an understanding of local market conditions and to perform risk analytics essential to making personal installment loans to subprime borrowers. In the event that Lendmark is not the Acquirer, Paragraph II(G)(3) provides that Springleaf will further divest, at the Acquirer's option, assets related to back office and technical support that would provide the Acquirer with additional capability and know-how.

Paragraph IV(A) of the proposed Final Judgment requires Springleaf to divest the Divestiture Assets within 120 calendar days after the filing of the Complaint or within five (5) calendar days after satisfaction of all state licensing requirements, whichever is sooner. The United States, in its sole discretion, after consultation with the Plaintiff States, may agree to one or more extensions of the time period, not to exceed sixty (60) calendar days in total. In addition, in the event that Lendmark has initiated the state licensing process in a particular state but has not satisfied the state's licensing requirements before the end of the period specified in Paragraph IV(A), the period to divest the Divestiture Assets of that particular state shall be extended to five (5) calendar days after satisfaction of the state licensing requirements. Paragraph IV(A) also requires Springleaf to use its best efforts to divest the Divestiture Assets as expeditiously as possible.

In the event that Lendmark is unable to acquire the Divestiture Assets in one or more states, Paragraphs IV(B) provides that Springleaf shall divest the remaining Divestiture Assets to an alternative Acquirer(s) acceptable to the United States, in its sole discretion, after consultation with the relevant Plaintiff States. Springleaf shall divest the remaining Divestiture Assets within thirty (30) days after the United States receives notice that Lendmark is not the Acquirer of such Divestiture Assets, or within five (5) days of satisfaction of all state licensing requirements, whichever is sooner. The United States, in its sole discretion, after consultation with the relevant Plaintiff States, may agree to one or more extensions of the time period, not to exceed sixty (60) calendar days in total. Pursuant to Paragraph V(I), Springleaf must divest to a single Acquirer all of the Divestiture Branches located in a particular state.

Paragraph IV(G) prohibits Defendants from entering into non-compete agreements with any employee at any of Defendants' branches or with any regional manager with responsibility for managing any of Defendants' branches for a period of two (2) years from the date of the filing of the Complaint. Defendants also must waive any existing non-compete agreements with such employees. Paragraph IV(G) ensures that competing providers of personal installment loans, including the Acquirer, may hire Defendants' branch employees and regional managers who are experienced in making personal installment loans to subprime borrowers.

Paragraph IV(H) provides for the possibility of a transition services agreement between Springleaf and the Acquirer(s) for a period of up to six (6) months. This provision is necessary because the transfer of loan records and customer information from Springleaf's data system to the Acquirer's data system will require system testing, and the transition may take a period of months after the divestiture. The transition services provided pursuant to such an agreement shall include providing the Acquirer(s) access to a separate information technology environment within Springleaf's information system for loan origination, administration and services. During the term of the transition services agreement, Springleaf shall implement and maintain procedures to preclude the sharing of data between Springleaf and the Acquirer(s). The United States, in its sole discretion, may approve one or more extensions of this agreement for a total of up to an additional six (6) months.

Section X of the proposed Final Judgment provides that the United States may appoint a Monitoring Trustee with the power and authority to investigate and report on Defendants' compliance with the terms of the proposed Final Judgment and the Asset Preservation Stipulation and Order during the pendency of the divestiture. Because satisfaction of the state licensing requirements may take 120 calendar days or longer, a Monitoring Trustee will assist

Plaintiffs in monitoring the divestiture process and ensuring Defendants' compliance with the Asset Preservation Stipulation and Order. The Monitoring Trustee shall file monthly reports with the United States and shall serve until the completion of the divestiture and the expiration of any transition services agreement.

In the event that Springleaf does not accomplish the divestiture to either Lendmark or an alternative Acquirer(s) within the periods prescribed in the proposed Final Judgment, pursuant to Section V, the Court shall appoint a Divestiture Trustee selected by the United States and approved by the Court to effect the divestiture. If a Divestiture Trustee is appointed, the proposed Final Judgment provides that Springleaf will pay all costs and expenses of the trustee. After its appointment becomes effective, the Divestiture Trustee will file monthly reports with the Court and the United States setting forth its efforts to accomplish the divestiture. At the end of six (6) months, if the divestiture has not been accomplished, the Divestiture Trustee and the United States will make recommendations to the Court, which shall enter such orders as appropriate, in order to carry out the purpose of the Final Judgment, including extending the trust or the term of the Divestiture Trustee's appointment.

IV. REMEDIES AVAILABLE TO POTENTIAL PRIVATE LITIGANTS

Section 4 of the Clayton Act, 15 U.S.C. § 15, provides that any person who has been injured as a result of conduct prohibited by the antitrust laws may bring suit in federal court to recover three times the damages the person has suffered, as well as costs and reasonable attorneys' fees. Entry of the proposed Final Judgment will neither impair nor assist the bringing of any private antitrust damage action. Under the provisions of Section 5(a) of the Clayton Act, 15 U.S.C. § 16(a), the proposed Final Judgment has no prima facie effect in any subsequent private lawsuit that may be brought against Defendants.

V. **PROCEDURES AVAILABLE FOR MODIFICATION OF THE PROPOSED FINAL JUDGMENT**

The United States and Defendants have stipulated that the proposed Final Judgment may be entered by the Court after compliance with the provisions of the APPA, provided that the United States has not withdrawn its consent. The APPA conditions entry upon the Court's determination that the proposed Final Judgment is in the public interest.

The APPA provides a period of at least sixty (60) days preceding the effective date of the proposed Final Judgment within which any person may submit to the United States written comments regarding the proposed Final Judgment. Any person who wishes to comment should do so within sixty (60) days of the date of publication of this Competitive Impact Statement in the *Federal Register*, or the last date of publication in a newspaper of the summary of this Competitive Impact Statement, whichever is later. All comments received during this period will be considered by the United States Department of Justice, which remains free to withdraw its consent to the proposed Final Judgment at any time prior to the Court's entry of judgment. The comments and the response of the United States will be filed with the Court. In addition, comments will be posted on the U.S. Department of Justice, Antitrust Division's Internet website and, under certain circumstances, published in the *Federal Register*.

Written comments should be submitted to:

Maribeth Petrizzi
Chief, Litigation II Section
Antitrust Division
United States Department of Justice
450 Fifth Street, N.W., Suite 8700
Washington, DC 20530

The proposed Final Judgment provides that the Court retains jurisdiction over this action, and the parties may apply to the Court for any order necessary or appropriate for the modification, interpretation, or enforcement of the Final Judgment.

VI. ALTERNATIVES TO THE PROPOSED FINAL JUDGMENT

The United States considered, as an alternative to the proposed Final Judgment, a full trial on the merits against Defendants. The United States could have continued the litigation and sought preliminary and permanent injunctions against Springleaf's acquisition of OneMain. The United States is satisfied, however, that the divestiture of assets described in the proposed Final Judgment will preserve competition for personal installment loans to subprime borrowers. Thus, the proposed Final Judgment would achieve all or substantially all of the relief the United States would have obtained through litigation, but avoids the time, expense, and uncertainty of a full trial on the merits of the Complaint.

VII. STANDARD OF REVIEW UNDER THE APPA FOR THE PROPOSED FINAL JUDGMENT

The Clayton Act, as amended by the APPA, requires that proposed consent judgments in antitrust cases brought by the United States be subject to a sixty-day comment period, after which the Court shall determine whether entry of the proposed Final Judgment "is in the public interest." 15 U.S.C. § 16(e)(1). In making that determination, the Court, in accordance with the statute as amended in 2004, is required to consider:

> (A) the competitive impact of such judgment, including termination of alleged violations, provisions for enforcement and modification, duration of relief sought, anticipated effects of alternative remedies actually considered, whether its terms are ambiguous, and any other competitive considerations bearing upon the adequacy of such judgment that the court deems necessary to a determination of whether the consent judgment is in the public interest; and
>
> (B) the impact of entry of such judgment upon competition in the relevant market or markets, upon the public generally and individuals alleging specific injury from the violations set forth in the complaint including consideration of the public benefit, if any, to be derived from a determination of the issues at trial.

15 U.S.C. § 16(e)(1)(A) & (B). In considering these statutory factors, the Court's inquiry is necessarily a limited one as the government is entitled to "broad discretion to settle with the defendant within the reaches of the public interest." *United States v. Microsoft Corp.*, 56 F.3d 1448, 1461 (D.C. Cir. 1995); *see generally United States v. SBC Commc'ns, Inc.*, 489 F. Supp. 2d 1 (D.D.C. 2007) (assessing public interest standard under the Tunney Act); *United States v, U.S. Airways Group, Inc.*, 38 F. Supp. 3d 69, 75 (D.D.C. 2014) (explaining that the "court's inquiry is limited" in Tunney Act settlements); *United States v. InBev N.V./S.A.*, No. 08-1965 (JR), 2009-2 Trade Cas. (CCH) ¶ 76,736, 2009 U.S. Dist. LEXIS 84787, at *3, (D.D.C. Aug. 11, 2009) (noting that the court's review of a consent judgment is limited and only inquires "into whether the government's determination that the proposed remedies will cure the antitrust violations alleged in the complaint was reasonable, and whether the mechanism to enforce the final judgment are clear and manageable.").[1]

As the United States Court of Appeals for the District of Columbia Circuit has held, under the APPA a court considers, among other things, the relationship between the remedy secured and the specific allegations set forth in the government's complaint, whether the decree is sufficiently clear, whether enforcement mechanisms are sufficient, and whether the decree may positively harm third parties. *See Microsoft*, 56 F.3d at 1458-62. With respect to the adequacy of the relief secured by the decree, a court may not "engage in an unrestricted evaluation of what relief would best serve the public." *United States v. BNS, Inc.*, 858 F.2d 456, 462 (9th Cir. 1988) (quoting *United States v. Bechtel Corp.*, 648 F.2d 660, 666 (9th Cir. 1981));

[1] The 2004 amendments substituted "shall" for "may" in directing relevant factors for courts to consider and amended the list of factors to focus on competitive considerations and to address potentially ambiguous judgment terms. *Compare* 15 U.S.C. § 16(e) (2004), *with* 15 U.S.C. § 16(e)(1) (2006); *see also SBC Commc'ns,* 489 F. Supp. 2d at 11 (concluding that the 2004 amendments "effected minimal changes" to Tunney Act review).

see also Microsoft, 56 F.3d at 1460-62; *United States v. Alcoa, Inc.*, 152 F. Supp. 2d 37, 40 (D.D.C. 2001); *InBev*, 2009 U.S. Dist. LEXIS 84787, at *3. Courts have held that:

> [t]he balancing of competing social and political interests affected by a proposed antitrust consent decree must be left, in the first instance, to the discretion of the Attorney General. The court's role in protecting the public interest is one of insuring that the government has not breached its duty to the public in consenting to the decree. The court is required to determine not whether a particular decree is the one that will best serve society, but whether the settlement is "*within the reaches of the public interest*." More elaborate requirements might undermine the effectiveness of antitrust enforcement by consent decree.

Bechtel, 648 F.2d at 666 (emphasis added) (citations omitted).[2] In determining whether a proposed settlement is in the public interest, a district court "must accord deference to the government's predictions about the efficacy of its remedies, and may not require that the remedies perfectly match the alleged violations." *SBC Commc'ns*, 489 F. Supp. 2d at 17; *see also U.S. Airways*, 38 F. Supp. 3d at 75 (noting that a court should not reject the proposed remedies because it believes others are preferable); *Microsoft*, 56 F.3d at 1461 (noting the need for courts to be "deferential to the government's predictions as to the effect of the proposed remedies"); *United States v. Archer-Daniels-Midland Co.*, 272 F. Supp. 2d 1, 6 (D.D.C. 2003) (noting that the court should grant due respect to the United States's prediction as to the effect of proposed remedies, its perception of the market structure, and its views of the nature of the case).

Courts have greater flexibility in approving proposed consent decrees than in crafting their own decrees following a finding of liability in a litigated matter. "[A] proposed decree must be approved even if it falls short of the remedy the court would impose on its own, as long as it falls within the range of acceptability or is 'within the reaches of public interest.'" *United*

[2] *Cf. BNS*, 858 F.2d at 464 (holding that the court's "ultimate authority under the [APPA] is limited to approving or disapproving the consent decree"); *United States v. Gillette Co.*, 406 F. Supp. 713, 716 (D. Mass. 1975) (noting that, in this way, the court is constrained to "look at the overall picture not hypercritically, nor with a microscope, but with an artist's reducing glass"). *See generally Microsoft*, 56 F.3d at 1461 (discussing whether "the remedies [obtained in the decree are] so inconsonant with the allegations charged as to fall outside of the 'reaches of the public interest'").

States v. Am. Tel. & Tel. Co., 552 F. Supp. 131, 151 (D.D.C. 1982) (citations omitted) (quoting *United States v. Gillette Co.*, 406 F. Supp. 713, 716 (D. Mass. 1975)), *aff'd sub nom*. *Maryland v. United States*, 460 U.S. 1001 (1983); *see also U.S. Airways*, 38 F. Supp. 3d at 76 (noting that room must be made for the government to grant concessions in the negotiation process for settlements) (citing *Microsoft*, 56 F.3d at 1461); *United States v. Alcan Aluminum Ltd.*, 605 F. Supp. 619, 622 (W.D. Ky. 1985) (approving the consent decree even though the court would have imposed a greater remedy). To meet this standard, the United States "need only provide a factual basis for concluding that the settlements are reasonably adequate remedies for the alleged harms." *SBC Commc'ns*, 489 F. Supp. 2d at 17.

Moreover, the Court's role under the APPA is limited to reviewing the remedy in relationship to the violations that the United States has alleged in its Complaint, and does not authorize the Court to "construct [its] own hypothetical case and then evaluate the decree against that case." *Microsoft*, 56 F.3d at 1459; *see also U.S. Airways*, 38 F. Supp. 3d at 75 (noting that the court must simply determine whether there is a factual foundation for the government's decisions such that its conclusions regarding the proposed settlements are reasonable); *InBev*, 2009 U.S. Dist. LEXIS 84787, at *20 ("the 'public interest' is not to be measured by comparing the violations alleged in the complaint against those the court believes could have, or even should have, been alleged"). Because the "court's authority to review the decree depends entirely on the government's exercising its prosecutorial discretion by bringing a case in the first place," it follows that "the court is only authorized to review the decree itself," and not to "effectively redraft the complaint" to inquire into other matters that the United States did not pursue. *Microsoft*, 56 F.3d at 1459-60. As this Court confirmed in *SBC Communications*, courts "cannot look beyond the complaint in making the public interest determination unless the complaint is drafted so narrowly as to make a mockery of judicial power." *SBC Commc'ns*, 489 F. Supp. 2d at 15.

In its 2004 amendments, Congress made clear its intent to preserve the practical benefits of utilizing consent decrees in antitrust enforcement, adding the unambiguous instruction that "[n]othing in this section shall be construed to require the court to conduct an evidentiary hearing or to require the court to permit anyone to intervene." 15 U.S.C. § 16(e)(2); *see also U.S. Airways*, 38 F. Supp. 3d at 76 (indicating that a court is not required to hold an evidentiary hearing or to permit intervenors as part of its review under the Tunney Act). The language wrote into the statute what Congress intended when it enacted the Tunney Act in 1974, as Senator Tunney explained: "[t]he court is nowhere compelled to go to trial or to engage in extended proceedings which might have the effect of vitiating the benefits of prompt and less costly settlement through the consent decree process." 119 Cong. Rec. 24,598 (1973) (statement of Sen. Tunney). Rather, the procedure for the public interest determination is left to the discretion of the Court, with the recognition that the Court's "scope of review remains sharply proscribed by precedent and the nature of Tunney Act proceedings." *SBC Commc'ns*, 489 F. Supp. 2d at 11.[3] A court can make its public interest determination based on the competitive impact statement and response to public comments alone. *U.S. Airways*, 38 F. Supp. 3d at 76.

---

[3] *See United States v. Enova Corp.*, 107 F. Supp. 2d 10, 17 (D.D.C. 2000) (noting that the "Tunney Act expressly allows the court to make its public interest determination on the basis of the competitive impact statement and response to comments alone"); *United States v. Mid-Am. Dairymen, Inc.*, No. 73-CV-681-W-1, 1977-1 Trade Cas. (CCH) ¶ 61,508, at 71,980, *22 (W.D. Mo. 1977) ("Absent a showing of corrupt failure of the government to discharge its duty, the Court, in making its public interest finding, should . . . carefully consider the explanations of the government in the competitive impact statement and its responses to comments in order to determine whether those explanations are reasonable under the circumstances."); S. Rep. No. 93-298, at 6 (1973) ("Where the public interest can be meaningfully evaluated simply on the basis of briefs and oral arguments, that is the approach that should be utilized.").

VIII. DETERMINATIVE DOCUMENTS

There are no determinative materials or documents within the meaning of the APPA that were considered by the United States in formulating the proposed Final Judgment.

Dated: November 13, 2015

Respectfully submitted,

_______________/s/_______________

Angela Ting (D.C. Bar #449576)
U.S. Department of Justice
Antitrust Division, Litigation II Section
450 Fifth Street, N.W., Suite 8700
Washington, DC 20530
(202) 616-7721
(202) 514-9033 (Facsimile)
angela.ting@usdoj.gov

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, STATE OF COLORADO, STATE OF IDAHO, COMMONWEALTH OF PENNSYLVNIA, STATE OF TEXAS, COMMONWEALTH OF VIRGINIA, STATE OF WASHINGTON, and STATE OF WEST VIRGINIA, *Plaintiffs,* v. SPRINGLEAF HOLDINGS, INC., ONEMAIN FINANCIAL HOLDINGS, LLC, and CITIFINANCIAL CREDIT COMPANY, *Defendants.*	**CASE NO.**: 1:15-cv-01992 **JUDGE**: Rosemary M. Collyer **FILED**: 11/13/2015

PROPOSED FINAL JUDGMENT

WHEREAS, Plaintiffs United States of America, and the States of Colorado, Idaho, Texas, Washington and West Virginia, and the Commonwealths of Pennsylvania and Virginia (collectively, "Plaintiff States"), filed their Complaint on November 13, 2015, Plaintiffs and Defendants Springleaf Holdings, Inc., OneMain Financial Holdings, LLC, and CitiFinancial Credit Company, by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law, and without this Final Judgment constituting any evidence against or admission by any party regarding any issue of fact or law;

AND WHEREAS, Defendants agree to be bound by the provisions of this Final Judgment pending its approval by the Court;

AND WHEREAS, the essence of this Final Judgment is the prompt and certain divestiture of certain rights or assets by the Defendants to assure that competition is not substantially lessened;

AND WHEREAS, Plaintiffs require Defendants to make certain divestitures for the purpose of remedying the loss of competition alleged in the Complaint;

AND WHEREAS, Defendants have represented to Plaintiffs that the divestitures required below can and will be made and that Defendants will later raise no claim of hardship or difficulty as grounds for asking the Court to modify any of the divestiture provisions contained below;

NOW THEREFORE, before any testimony is taken, without trial or adjudication of any issue of fact or law, and upon consent of the parties, it is ORDERED, ADJUDGED AND DECREED:

I. Jurisdiction

This Court has jurisdiction over the subject matter of and each of the parties to this action. The Complaint states a claim upon which relief may be granted against Defendants under Section 7 of the Clayton Act, as amended (15 U.S.C. § 18).

II. Definitions

As used in this Final Judgment:

A. "Acquirer" means Lendmark or another entity to which Defendants divest the Divestiture Assets.

B. "Springleaf" means Defendant Springleaf Holdings, Inc., a Delaware corporation with its headquarters in Evansville, Indiana, and its successors, assigns, subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

C. "OneMain" means Defendant OneMain Financial Holdings, LLC, a Delaware limited liability company with its headquarters in Baltimore, Maryland, and its successors, assigns, subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

D. "CitiFinancial" means Defendant CitiFinancial Credit Company, a Delaware corporation, with its headquarters in Dallas, Texas, that is a wholly owned subsidiary of Citigroup and the holding company of OneMain.

E. "Lendmark" means Lendmark Financial Services, LLC, a Georgia limited liability company with its headquarters in Covington, Georgia, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

F. "Divestiture Branches" means the Springleaf branches identified in the Attachment to this Final Judgment.

G. "Divestiture Assets" means the Divestiture Branches, including, but not limited to:

(1) All real property and improvements, equipment, fixed assets, personal property, office furniture, materials, and supplies; all licenses, permits and authorizations issued by any governmental organization to the extent permitted by such governmental organization; and all contracts, leases and agreements related to the Divestiture Branches.

(2) All active loans originated or serviced at the Divestiture Branches; all insurance and other ancillary products sold in conjunction with such loans; all loan documents, records, files, current and past customer information, accounts, and agreements related to such loans and ancillary products; all historical performance information (including account-level payment histories) and all customers' credit scores and other credit metrics with respect to loans that are active, closed, paid-off, or defaulted that have been originated or serviced at the Divestiture Branches at any point since January 1, 2010.

(3) In the event that Lendmark is not the Acquirer, at the Acquirer's option, all tangible and intangible assets related to Springleaf's back office and technical support for loan origination, underwriting, and servicing at the Divestiture Branches, including, but not limited to, all equipment and fixed assets; all patents, licenses and sublicenses, intellectual property, technical information, computer software and related documentation, know-how, and trade secrets; and all manuals and technical information Springleaf provides to its own employees.

III. Applicability

A. This Final Judgment applies to Springleaf, OneMain and CitiFinancial, as defined above, and all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

B. If, prior to complying with Section IV and V of this Final Judgment, Springleaf sells or otherwise disposes of all or substantially all of its assets or of lesser business units that include the Divestiture Assets, it shall require the purchaser to be bound by the provisions of this

Final Judgment. Springleaf need not obtain such an agreement from the Acquirer(s) of the assets divested pursuant to this Final Judgment.

IV. <u>Divestitures</u>

A. Springleaf is ordered and directed within 120 calendar days after the filing of the Complaint in this matter, or within five (5) calendar days after satisfaction of all state licensing requirements, whichever is sooner, to divest the Divestiture Assets in a manner consistent with this Final Judgment to Lendmark. The United States, in its sole discretion, after consultation with the Plaintiff States, may agree to one or more extensions of this time period not to exceed sixty (60) calendar days in total, and shall notify the Court in such circumstances. In the event that Lendmark has initiated the state licensing process in a particular state but has not satisfied the state's licensing requirements before the end of the period specified in this Paragraph IV(A), the period shall be extended until five (5) calendar days after satisfaction of the state licensing requirements with respect to those Divestiture Assets. Springleaf agrees to use its best efforts to divest the Divestiture Assets as expeditiously as possible.

B. In the event Lendmark is not the Acquirer of the Divestiture Assets in one or more states, Springleaf or the Monitoring Trustee shall promptly notify the United States of that fact in writing. In such circumstance, within thirty (30) calendar days after the United States receives such notice, or within five (5) days of satisfaction of all state licensing requirements, whichever is sooner, Springleaf shall divest the remaining Divestiture Assets in a manner consistent with this Final Judgment to an alternative Acquirer(s) acceptable to the United States, in its sole discretion, after consultation with the relevant Plaintiff States. The United States, in its sole discretion, after consultation with the relevant Plaintiff States, may agree to one or more extensions of either time period in this Paragraph IV(B), provided that the extension of either time period shall not exceed sixty (60) calendar days in total. The United States shall notify the Court of any such extension of time.

C. In the event that Lendmark is not the Acquirer of the Divestiture Assets in one or more states, Springleaf shall make known, by usual and customary means, the availability of the remaining Divestiture Assets. Springleaf shall inform any person making an inquiry regarding a possible purchase of the Divestiture Assets that they are being divested pursuant to this Final Judgment and provide that person with a copy of this Final Judgment. Springleaf shall offer to furnish to all prospective acquirers, subject to customary confidentiality assurances, all information and documents relating to the Divestiture Assets customarily provided in a due diligence process except such information or documents subject to the attorney-client privilege or work-product doctrine. Springleaf shall make available such information to Plaintiffs at the same time that such information is made available to any other person.

D. Springleaf shall provide the Acquirer(s) and the United States information relating to the personnel employed at each Divestiture Branch to enable the Acquirer(s) to make offers of employment. Springleaf shall not interfere with any negotiations by the Acquirer(s) to employ any Springleaf employee who works at any Divestiture Branch.

E. Springleaf shall permit prospective acquirers of the Divestiture Assets to have reasonable access to personnel and to make inspections of the Divestiture Branches; access to any and all environmental, zoning, and other permit documents and information; and access to any and all financial, operational, or other documents and information customarily provided as part of a due diligence process.

F. Defendants shall not take any action that would impede in any way the permitting, operation, or divestiture of the Divestiture Assets. Springleaf shall use its best efforts to assist the Acquirer(s) in satisfying any state licensing requirements or obtaining any other needed governmental approvals relating to the acquisition of the Divestiture Assets.

G. For a period of two (2) years from the date of the filing of the Complaint in this matter, Defendants shall not enter into any non-compete agreement with any employee at any of Defendants' branches or with any regional manager with responsibility for managing any of Defendants' branches. Defendants shall waive all obligations under any existing non-compete agreement with any such employee.

H. At the option of the Acquirer(s), Springleaf shall enter into a transition services agreement with the Acquirer(s) for back office and technical support sufficient to meet all or part of the needs of the Acquirer(s) for a period of up to six (6) months. The United States, in its sole discretion, may approve one or more extensions of this agreement for a total of up to an additional six (6) months. The transition services provided pursuant to such an agreement shall include, but are not limited to, providing the Acquirer(s) access to a separate information technology environment within Springleaf's information systems for loan origination, administration and servicing. During the term of the transition services agreement, Springleaf shall implement and maintain procedures to preclude the sharing of data between Springleaf and the Acquirer(s). The terms and conditions of any contractual arrangement intended to satisfy this provision must be reasonably related to market conditions.

I. Unless the United States otherwise consents in writing, the divestiture pursuant to Section IV, or by a Divestiture Trustee appointed pursuant to Section V, of this Final Judgment, shall include the entire Divestiture Assets, and shall be accomplished in such a way as to satisfy the United States, in its sole discretion, after consultation with the relevant Plaintiff States, that the Divestiture Assets can and will be used by the Acquirer(s) as part of a viable, ongoing business involving the provision of personal installment loans to subprime borrowers in the United States. Divestiture of the Divestiture Branches may be made to one or more Acquirer(s), provided that Springleaf must divest to a single Acquirer all of the Divestiture Branches located in a particular state and that, in each instance, it is demonstrated to the sole satisfaction of the United States that the Divestiture Branches will remain viable and the divestiture of such assets will remedy the competitive harm alleged in the Complaint. The divestiture, whether pursuant to Section IV or Section V of this Final Judgment,

(1) shall be made to an Acquirer or Acquirers that, in the United States's sole judgment, after consultation with the Plaintiff States, has the intent and capability (including the necessary managerial, operational, technical and financial capability) of competing effectively in the provision of personal installment loans to subprime borrowers in the United States; and

(2) shall be accomplished so as to satisfy the United States, in its sole discretion, after consultation with the Plaintiff States, that none of the terms of any agreement between the Acquirer(s) and Springleaf gives Springleaf the ability unreasonably to raise the Acquirer's costs, to lower the Acquirer's efficiency, or otherwise to interfere in the ability of the Acquirer(s) to compete effectively.

V. Appointment of Divestiture Trustee

A. If Springleaf has not divested the Divestiture Assets within the time period specified in Paragraph IV(A) or Paragraph IV(B), Springleaf shall notify Plaintiffs of that fact in writing. Upon application of the United States, the Court shall appoint a Divestiture Trustee selected by the United States and approved by the Court to effect the divestiture of the Divestiture Assets.

B. After the appointment of a Divestiture Trustee becomes effective, only the Divestiture Trustee shall have the right to sell the Divestiture Assets. The Divestiture Trustee shall have the power and authority to accomplish the divestiture to an Acquirer or Acquirers acceptable to the United States, after consultation with the Plaintiff States, at such price and on such terms as are then obtainable upon reasonable effort by the Divestiture Trustee, subject to the provisions of Sections IV, V, and VI of this Final Judgment, and shall have such other powers as this Court deems appropriate. Subject to Paragraph V(D) of this Final Judgment, the Divestiture Trustee may hire at the cost and expense of Springleaf any investment bankers, attorneys, or other agents, who shall be solely accountable to the Divestiture Trustee, reasonably necessary in the Divestiture Trustee's judgment to assist in the divestiture. Any such investment bankers, attorneys, or other agents shall serve on such terms and conditions as the United States approves including confidentiality requirements and conflict of interest certifications.

C. Defendants shall not object to a sale by the Divestiture Trustee on any ground other than the Divestiture Trustee's malfeasance. Any such objections by Defendants must be conveyed in writing to the United States and the Divestiture Trustee within ten (10) calendar days after the Divestiture Trustee has provided the notice required under Section VI.

D. The Divestiture Trustee shall serve at the cost and expense of Springleaf pursuant to a written agreement, on such terms and conditions as the United States approves including confidentiality requirements and conflict of interest certifications. The Divestiture Trustee shall account for all monies derived from the sale of the assets sold by the Divestiture Trustee and all costs and expenses so incurred. After approval by the Court of the Divestiture Trustee's accounting, including fees for its services yet unpaid and those of any professionals and agents retained by the Divestiture Trustee, all remaining money shall be paid to Springleaf and the trust shall then be terminated. The compensation of the Divestiture Trustee and any professionals and agents retained by the Divestiture Trustee shall be reasonable in light of the value of the Divestiture Assets and based on a fee arrangement providing the Divestiture Trustee with an incentive based on the price and terms of the divestiture and the speed with which it is accomplished, but timeliness is paramount. If the Divestiture Trustee and Springleaf are unable to reach agreement on the Divestiture Trustee's or any agents' or consultants' compensation or other terms and conditions of engagement within fourteen (14) calendar days of appointment of the Divestiture Trustee, the United States may, in its sole discretion, take appropriate action, including making a recommendation to the Court. The Divestiture Trustee shall, within three (3) business days of hiring any other professionals or agents, provide written notice of such hiring and the rate of compensation to Springleaf and the United States.

E. Springleaf shall use its best efforts to assist the Divestiture Trustee in accomplishing the required divestiture. The Divestiture Trustee and any consultants, accountants, attorneys, and other agents retained by the Divestiture Trustee shall have full and complete access to the personnel, books, records, and facilities of the business to be divested, and Springleaf shall develop financial and other information relevant to such business as the

Divestiture Trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information or any applicable privileges. Defendants shall take no action to interfere with or to impede the Divestiture Trustee's accomplishment of the divestiture.

F. After its appointment, the Divestiture Trustee shall file monthly reports with the United States and, as appropriate, the Court setting forth the Divestiture Trustee's efforts to accomplish the divestiture ordered under this Final Judgment. To the extent such reports contain information that the Divestiture Trustee deems confidential, such reports shall not be filed in the public docket of the Court. Such reports shall include the name, address, and telephone number of each person who, during the preceding month, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Divestiture Assets, and shall describe in detail each contact with any such person. The Divestiture Trustee shall maintain full records of all efforts made to divest the Divestiture Assets.

G. If the Divestiture Trustee has not accomplished the divestiture ordered under this Final Judgment within six (6) months after its appointment, the Divestiture Trustee shall promptly file with the Court a report setting forth (1) the Divestiture Trustee's efforts to accomplish the required divestiture, (2) the reasons, in the Divestiture Trustee's judgment, why the required divestiture has not been accomplished, and (3) the Divestiture Trustee's recommendations. To the extent such report contains information that the Divestiture Trustee deems confidential, such report~~s~~ shall not be filed in the public docket of the Court. The Divestiture Trustee shall at the same time furnish such report to the United States which shall have the right to make additional recommendations consistent with the purpose of the trust. The

Court thereafter shall enter such orders as it shall deem appropriate to carry out the purpose of the Final Judgment, which may, if necessary, include extending the trust and the term of the Divestiture Trustee's appointment by a period requested by the United States.

H. If the United States determines that the Divestiture Trustee has ceased to act or failed to act diligently or in a reasonably cost-effective manner, it may recommend the Court appoint a substitute Divestiture Trustee.

VI. Notice of Proposed Divestiture

A. Within two (2) business days following execution of a definitive divestiture agreement, Springleaf or the Divestiture Trustee, whichever is then responsible for effecting the divestiture required herein, shall notify Plaintiffs of any proposed divestiture required by Section IV or V of this Final Judgment. If the Divestiture Trustee is responsible, it shall similarly notify Springleaf. The notice shall set forth the details of the proposed divestiture and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership interest in the Divestiture Assets, together with full details of the same.

B. Within fifteen (15) calendar days of receipt by the United States of such notice, the United States, after consultation with the Plaintiff States, may request from Springleaf, the proposed Acquirer(s), any other third party, or the Divestiture Trustee, if applicable, additional information concerning the proposed divestiture, the proposed Acquirer(s), and any other potential Acquirer(s). Springleaf and the Divestiture Trustee shall furnish any additional information requested within fifteen (15) calendar days of the receipt of the request, unless the parties shall otherwise agree.

C. Within thirty (30) calendar days after receipt of the notice or within twenty (20) calendar days after the United States has been provided the additional information requested from Springleaf, the proposed Acquirer(s), any third party, and the Divestiture Trustee, whichever is later, the United States shall provide written notice to Springleaf and the Divestiture Trustee, if there is one, stating whether or not it objects to the proposed divestiture. If the United States provides written notice that it does not object, the divestiture may be consummated, subject only to Springleaf's limited right to object to the sale under Paragraph V(C) of this Final Judgment. Absent written notice that the United States does not object to the proposed Acquirer(s) or upon objection by the United States, a divestiture proposed under Section IV or Section V shall not be consummated. Upon objection by Springleaf under Paragraph V(C), a divestiture proposed under Section V shall not be consummated unless approved by the Court.

VII. Financing

Defendants shall not finance all or any part of any purchase made pursuant to Section IV or V of this Final Judgment.

VIII. Asset Preservation

Until the divestiture required by this Final Judgment has been accomplished, Defendants shall take all steps necessary to comply with the Asset Preservation Stipulation and Order entered by this Court. Defendants shall take no action that would jeopardize the divestiture ordered by this Court.

IX. Affidavits

A. Within twenty (20) calendar days of the filing of the Complaint in this matter, and every thirty (30) calendar days thereafter until the divestiture has been completed under Section IV or V, Springleaf shall deliver to the United States an affidavit as to the fact and manner of its compliance with Section IV or V of this Final Judgment. Each such affidavit shall include the name, address, and telephone number of each person who, during the preceding thirty (30) calendar days, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Divestiture Assets, and shall describe in detail each contact with any such person during that period. Each such affidavit shall also include a description of the efforts Springleaf has taken to solicit buyers for the Divestiture Assets, and to provide required information to prospective acquirers, including the limitations, if any, on such information. Assuming the information set forth in the affidavit is true and complete, any objection by the United States to information provided by Springleaf, including limitation on information, shall be made within fourteen (14) calendar days of receipt of such affidavit.

B. Within twenty (20) calendar days of the filing of the Complaint in this matter, Defendants shall deliver to the United States an affidavit that describes in reasonable detail all actions Defendants have taken and all steps Defendants have implemented on an ongoing basis to comply with Section VIII of this Final Judgment. Defendants shall deliver to the United States an affidavit describing any changes to the efforts and actions outlined in Defendants' earlier affidavits filed pursuant to this section within fifteen (15) calendar days after the change is implemented.

C. Springleaf shall keep all records of all efforts made to preserve and divest the Divestiture Assets until one year after such divestiture has been completed.

X. Appointment of Monitoring Trustee

A. Upon application of the United States, the Court shall appoint a Monitoring Trustee selected by the United States and approved by the Court.

B. The Monitoring Trustee shall have the power and authority to monitor Defendants' compliance with the terms of this Final Judgment and the Asset Preservation Stipulation and Order entered by this Court, and shall have such other powers as this Court deems appropriate. The Monitoring Trustee shall be required to investigate and report on the Defendants' compliance with this Final Judgment and the Asset Preservation Stipulation and Order and the Defendants' progress toward effectuating the purposes of this Final Judgment.

C. Subject to Paragraph X(E) of this Final Judgment, the Monitoring Trustee may hire at the cost and expense of Springleaf any consultants, accountants, attorneys, or other agents, who shall be solely accountable to the Monitoring Trustee, reasonably necessary in the Monitoring Trustee's judgment. Any such consultants, accountants, attorneys, or other agents shall serve on such terms and conditions as the United States approves including confidentiality requirements and conflict of interest certifications.

D. Springleaf shall not object to actions taken by the Monitoring Trustee in fulfillment of the Monitoring Trustee's responsibilities under any Order of this Court on any ground other than the Monitoring Trustee's malfeasance. Any such objections by Springleaf must be conveyed in writing to the United States and the Monitoring Trustee within ten (10) calendar days after the action taken by the Monitoring Trustee giving rise to Springleaf's objection.

E. The Monitoring Trustee shall serve at the cost and expense of Springleaf pursuant to a written agreement with Springleaf and on such terms and conditions as the United States approves, including confidentiality requirements and conflict of interest certifications. The compensation of the Monitoring Trustee and any consultants, accountants, attorneys, and other agents retained by the Monitoring Trustee shall be on reasonable and customary terms commensurate with the individual's experience and responsibilities. If the Monitoring Trustee and Springleaf are unable to reach agreement on the Monitoring Trustee's or any agent's or consultant's compensation or other terms and conditions of engagement within fourteen (14) calendar days of appointment of the Monitoring Trustee, the United States may, in its sole discretion, take appropriate action, including making a recommendation to the Court. The Monitoring Trustee shall, within three (3) business days of hiring any consultants, accountants, attorneys, or other agents, provide written notice of such hiring and the rate of compensation to Springleaf and the United States.

F. The Monitoring Trustee shall have no responsibility or obligation for the operation of Springleaf's business.

G. Defendants shall use their best efforts to assist the Monitoring Trustee in monitoring Defendants' compliance with their individual obligations under this Final Judgment and under the Asset Preservation Stipulation and Order. The Monitoring Trustee and any consultants, accountants, attorneys, and other agents retained by the Monitoring Trustee shall have full and complete access to the personnel, books, records, and facilities relating to compliance with this Final Judgment, subject to reasonable protection for trade secret or other confidential research, development, or commercial information or any applicable privileges. Defendants shall take no action to interfere with or to impede the Monitoring Trustee's accomplishment of its responsibilities.

H. After its appointment, the Monitoring Trustee shall file reports monthly, or more frequently as needed, with the United States and, as appropriate, the Court, setting forth Defendants' efforts to comply with their obligations under this Final Judgment and under the Asset Preservation Stipulation and Order. To the extent such reports contain information that the

Monitoring Trustee deems confidential, such reports shall not be filed in the public docket of the Court.

I. The Monitoring Trustee shall serve until the divestiture of all the Divestiture Assets is finalized pursuant to either Section IV or Section V of this Final Judgment and the expiration of any continuing transition services agreement.

J. If the United States determines that the Monitoring Trustee has ceased to act or failed to act diligently or in a reasonably cost-effective manner, it may recommend the Court appoint a substitute Monitoring Trustee.

XI. Compliance Inspection

A. For the purposes of determining or securing compliance with this Final Judgment, or of any related orders such as any Asset Preservation Order, or of determining whether the Final Judgment should be modified or vacated, and subject to any legally recognized privilege, from time to time authorized representatives of the United States Department of Justice, including consultants and other persons retained by the United States, shall, upon written request of an authorized representative of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to Defendants, be permitted:

(1) access during Defendants' office hours to inspect and copy, or at the option of the United States, to require Defendants to provide hard copy or electronic copies of, all books, ledgers, accounts, records, data, and documents in the possession, custody, or control of Defendants, relating to any matters contained in this Final Judgment; and

(2) to interview, either informally or on the record, Defendants' officers, employees, or agents, who may have their individual counsel present,

regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by Defendants.

B. Upon the written request of an authorized representative of the Assistant Attorney General in charge of the Antitrust Division, Defendants shall submit written reports or response to written interrogatories, under oath if requested, relating to any of the matters contained in this Final Judgment as may be requested.

C. No information or documents obtained by the means provided in this section shall be divulged by the United States to any person other than an authorized representative of the executive branch of the United States, or the Plaintiff States, except in the course of legal proceedings to which the United States is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by Defendants to the United States, Defendants represent and identify in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure, and Defendants mark each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure," then the United States shall give Defendants ten (10) calendar days notice prior to divulging such material in any legal proceeding (other than a grand jury proceeding).

XII. No Reacquisition

Defendants may not reacquire any part of the Divestiture Assets during the term of this Final Judgment.

XIII. Retention of Jurisdiction

This Court retains jurisdiction to enable any party to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions.

XIV. Expiration of Final Judgment

Unless this Court grants an extension, this Final Judgment shall expire ten (10) years from the date of its entry.

XV. Public Interest Determination

Entry of this Final Judgment is in the public interest. The parties have complied with the requirements of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16, including making copies available to the public of this Final Judgment, the Competitive Impact Statement, and any comments thereon and the United States's responses to comments. Based upon the record before the Court, which includes the Competitive Impact Statement and any comments and response to comments filed with the Court, entry of this Final Judgment is in the public interest.

Date: ___________________

Court approval subject to procedures of Antitrust Procedures and Penalties Act, 15 U.S.C. § 16

____
United States District Judge

ATTACHMENT

BRANCH NAME	ADDRESS	CITY	STATE	ZIP CODE
PHOENIX- SW	9130 W THOMAS RD STE A-103	PHOENIX	AZ	85037
TEMPE	744 W ELLIOT RD STE 104	TEMPE	AZ	85284
TUCSON MIDSTAR	4528 E BROADWAY BLVD	TUCSON	AZ	85711
TUCSON WEST	680 W PRINCE RD STE 100	TUCSON	AZ	85705
ANAHEIM	691 N EUCLID ST	ANAHEIM	CA	92801
ANTIOCH	4049 LONE TREE WAY STE B	ANTIOCH	CA	94531
BAKERSFIELD	4905 STOCKDALE HWY	BAKERSFIELD	CA	93309
CHICO	2499 FOREST AVE STE 100	CHICO	CA	95928
CHULA VISTA	565 TELEGRAPH CANYON RD	CHULA VISTA	CA	91910
SACRAMENTO-ELK GROVE	8250 CALVINE RD STE B	SACRAMENTO	CA	95828
ESCONDIDO	306 W EL NORTE PKWY STE A	ESCONDIDO	CA	92026
FREMONT	39146 FREMONT HUB	FREMONT	CA	94538
FRESNO	3140 W SHAW AVE STE 109	FRESNO	CA	93711
HANFORD	1560 W LACEY BLVD STE 105	HANFORD	CA	93230
LEMON GROVE	6957 BROADWAY	LEMON GROVE	CA	91945
LONG BEACH	2296 E CARSON ST	LONG BEACH	CA	90807
MADERA	2185 W CLEVELAND AVE STE B,	MADERA	CA	93637
MERCED	510 W MAIN ST STE D	MERCED	CA	95340
MODESTO/SYLVAN	2101 SYLVAN AVE	MODESTO	CA	95355
OXNARD	1991 E VENTURA BLVD STE C,	OXNARD	CA	93036
PALMDALE	40008 10TH ST W STE E	PALMDALE	CA	93551
PARAMOUNT	7902 ALONDRA BLVD	PARAMOUNT	CA	90723
PASADENA	1272 E COLORADO BLVD	PASADENA	CA	91106
POMONA	355 E FOOTHILL BLVD STE A	POMONA	CA	91767
RANCHO CUCAMONGA	11553 FOOTHILL BLVD STE 104	RANCHO CUCAMONGA	CA	91730
REDDING	107 LAKE BLVD	REDDING	CA	96003
RIALTO	1270 W FOOTHILL BLVD STE C	RIALTO	CA	92376
SAN FERNANDO	1129 SAN FERNANDO RD	SAN FERNANDO	CA	91340
SANTA ANA	3853 S BRISTOL ST	SANTA ANA	CA	92704
SANTA MARIA	2125 S BROADWAY STE 107	SANTA MARIA	CA	93454
SOUTH SAN FRANCISCO	949 EL CAMINO REAL	SOUTH SAN FRANCISCO	CA	94080
STOCKTON	3421 BROOKSIDE RD STE C	STOCKTON	CA	95219
TORRANCE	20036 HAWTHORNE BLVD	TORRANCE	CA	90503
COLORADO SPRINGS	5689 N ACADEMY BLVD	COLORADO SPRINGS	CO	80918
FORT COLLINS	4032 S COLLEGE AVE UNIT 6	FORT COLLINS	CO	80525
PUEBLO	204 W 29TH ST	PUEBLO	CO	81008
AURORA	15025 E MISSISSIPPI AVE	AURORA	CO	80012
THORNTON	550 THORNTON PKWY UNIT 182B	THORNTON	CO	80229

LITTLETON	8500 W CRESTLINE AVE UNIT G8	LITTLETON	CO	80123
TWIN FALLS	1563 FILLMORE ST STE 2F	TWIN FALLS	ID	83301
COEUR D'ALENE	503 W APPLEWAY STE G	COEUR D'ALENE	ID	83814
POCATELLO	345 YELLOWSTONE AVE STE C1	POCATELLO	ID	83201
BOISE EAST	2140 BROADWAY AVE	BOISE	ID	83706
FOREST CITY	181 COMMERCIAL ST	FOREST CITY	NC	28043
HENDERSON	891 S BECKFORD DR STE B	HENDERSON	NC	27536
MOREHEAD CITY	5000 HWY 70 W STE 105	MOREHEAD CITY	NC	28557
MOUNT AIRY	2133 ROCKFORD ST STE 700	MOUNT AIRY	NC	27030
KINSTON	4167 W VERNON AVE	KINSTON	NC	28504
NORTH WILKESBORO	1724 WINKLER ST	WILKESBORO	NC	28697
SHELBY	711 E DIXON BLVD	SHELBY	NC	28152
WILSON	2835 RALEIGH ROAD W STE 105	WILSON	NC	27896
CHARLOTTE	3220 WILKINSON BLVD UNIT A4	CHARLOTTE	NC	28208
DURHAM-CHAPEL HILL	4711 HOPE VALLEY RD STE 5C	DURHAM	NC	27707
CLINTON	1351 SUNSET AVE STE B	CLINTON	NC	28328
KERNERSVILLE	960 S MAIN ST STE B	KERNERSVILLE	NC	27284
WILLIAMSTON	1127 WALMART DR	WILLIAMSTON	NC	27892
REIDSVILLE	1560 FREEWAY DR STE J	REIDSVILLE	NC	27320
ALBEMARLE	720 NC 24 27 BYP E STE 3	ALBEMARLE	NC	28001
MORGANTON	126 FIDDLERS RUN BLVD	MORGANTON	NC	28655
MARION	500 N MAIN ST STE 12	MARION	NC	28752
ASHTABULA	2902 N RIDGE E	ASHTABULA	OH	44004
ATHENS	1013 E STATE ST	ATHENS	OH	45701
CAMBRIDGE	1225 WOODLAWN AVE STE 1	CAMBRIDGE	OH	43725
GARFIELD HEIGHTS	9531 VISTA WAY UNIT 3C	GARFIELD HEIGHTS	OH	44125
REYNOLDSBURG	6156 E MAIN ST	REYNOLDSBURG	OH	43068
FAIRBORN	2628 COLONEL GLENN HWY STE B	FAIRBORN	OH	45324
DOVER	329 W 3RD ST	DOVER	OH	44622
GALLIPOLIS	444 SILVER BRIDGE PLZ	GALLIPOLIS	OH	45631
LIMA	1092 N CABLE RD	LIMA	OH	45805
ONTARIO	2020 AUGUST DR	ONTARIO	OH	44906
SANDUSKY	5500 MILAN RD STE 338	SANDUSKY	OH	44870
TOLEDO-MONROE	5305 MONROE ST STE 1	TOLEDO	OH	43623
CHILLICOTHE	1534 N BRIDGE ST STE 1	CHILLICOTHE	OH	45601
ELYRIA	5222 DETROIT RD	ELYRIA	OH	44035
FAIRLAWN	55 GHENT RD STE 300	FAIRLAWN	OH	44333
LANCASTER	1617 VICTOR RD NW	LANCASTER	OH	43130
MARION	1330 MOUNT VERNON AVE	MARION	OH	43302
WOOSTER	2827 CLEVELAND RD	WOOSTER	OH	44691
CHELTENHAM	7400 FRONT ST	CHELTENHAM	PA	19012
LANCASTER	2054 FRUITVILLE PIKE	LANCASTER	PA	17601

JOHNSTOWN	1397 EISENHOWER BLVD STE 100	JOHNSTOWN	PA	15904
MONACA	3944 BRODHEAD RD STE 8	MONACA	PA	15061
E. NORRITON TWP	42 E GERMANTOWN PIKE	E. NORRITON TWP	PA	19401
SHAMOKIN DAM	30 BALDWIN BLVD STE 90	SHAMOKIN DAM	PA	17876
STATE COLLEGE	2264 E COLLEGE AVE	STATE COLLEGE	PA	16801
TANNERSVILLE	2959 ROUTE 611 STE 105	TANNERSVILLE	PA	18372
UPPER DARBY	1500 GARRETT RD STE F	UPPER DARBY	PA	19082
WASHINGTON	198 W CHESTNUT ST	WASHINGTON	PA	15301
BURLESON	621 SW JOHNSON AVE STE B	BURLESON	TX	76028
AMARILLO	2818 S SONCY RD	AMARILLO	TX	79124
BEAUMONT	196 S DOWLEN RD	BEAUMONT	TX	77707
BRYAN-COLLEGE STATION	725 E VILLA MARIA RD STE 2100	BRYAN	TX	77802
DEL RIO	2400 VETERANS BLVD STE 27	DEL RIO	TX	78840
DENTON	2215 S LOOP 288 STE 327	DENTON	TX	76205
LAKE JACKSON	145 OYSTER CREEK DR STE 5	LAKE JACKSON	TX	77566
LUFKIN	3009 S JOHN REDDITT DR STE C	LUFKIN	TX	75904
ODESSA	2237 E 52ND ST	ODESSA	TX	79762
SAN ANGELO	3224 SHERWOOD WAY	SAN ANGELO	TX	76901
CHRISTIANSBURG	438 PEPPERS FERRY RD NW	CHRISTIANSBURG	VA	24073
ALTAVISTA	105 CLARION RD STE K	ALTAVISTA	VA	24517
COLLINSVILLE	3404 VIRGINIA AVE	COLLINSVILLE	VA	24078
DANVILLE	625 PINEY FOREST RD STE 201	DANVILLE	VA	24540
FARMVILLE	907 S MAIN ST STE 9	FARMVILLE	VA	23901
FRONT ROYAL	290 REMOUNT RD	FRONT ROYAL	VA	22630
GALAX	544 E STUART DR STE B	GALAX	VA	24333
LEESBURG	534 E MARKET ST	LEESBURG	VA	20176
PETERSBURG-BATTLEFIELD	3323 S CRATER RD STE A	PETERSBURG	VA	23805
RICHMOND-E	5211 S LABURNUM AVE	RICHMOND	VA	23231
SOUTH HILL	1167 E ATLANTIC ST	SOUTH HILL	VA	23970
STAUNTON	729 RICHMOND AVE STE 103	STAUNTON	VA	24401
SUFFOLK	2815 GODWIN BLVD STE K	SUFFOLK	VA	23434
TAPPAHANNOCK	1830 TAPPAHANNOCK BLVD	TAPPAHANNOCK	VA	22560
WOODBRIDGE	3109 GOLANSKY BLVD	WOODBRIDGE	VA	22192
BREMERTON	4203 WHEATON WAY STE F6	BREMERTON	WA	98310
EVERETT	5920 EVERGREEN WAY STE F	EVERETT	WA	98203
KENNEWICK	3107 W KENNEWICK AVE STE B	KENNEWICK	WA	99336
MOUNT VERNON	1616 N 18TH ST STE 120	MOUNT VERNON	WA	98273
OLYMPIA	1600 COOPER POINT RD SW	OLYMPIA	WA	98502
RENTON	101 SW 41ST ST STE A	RENTON	WA	98057
SPOKANE NS	515 W FRANCIS AVE STE 4	SPOKANE	WA	99205
UNION GAP	1601 E WASHINGTON AVE STE 106	UNION GAP	WA	98903
LOGAN	105 LB AND T WAY	LOGAN	WV	25601

PRINCETON	1257 STAFFORD DR	PRINCETON	WV	24740
LEWISBURG	518 N JEFFERSON ST	LEWISBURG	WV	24901
BARBOURSVILLE	6006 US ROUTE 60 E	BARBOURSVILLE	WV	25504
OAK HILL	329 MALL RD	OAK HILL	WV	25901
SOUTH CHARLESTON	10 RIVER WALK MALL	SOUTH CHARLESTON	WV	25303

[FR Doc. 2015-29895 Filed: 11/23/2015 8:45 am; Publication Date: 11/24/2015]