

**STATE OF MINNESOTA
HENNEPIN COUNTY****DISTRICT COURT
FOURTH JUDICIAL DISTRICT**

Jason Dobosenki,
on behalf of himself and
all others similarly situated,

Plaintiff,

v.

Payday America, Inc.

Defendant.

Case Type: Civil Other

Statutory Violation

Case No. 27-cv-15-18990

The Hon. Daniel Mabley, presiding

DECLARATION OF KEITH KAESTNER

I, Keith Kaestner, declare:

1. I am the Chief Financial Officer of Payday America, Inc. (“Payday”). In my capacity as Chief Financial Officer, I have access to Payday’s business records relating to the fees that Payday charged on the loan product that is the subject of this lawsuit and the judgments Payday obtained from loans that Payday made during the Class Period that have not been satisfied.

2. Payday has charged fees on the loan product that is the subject of this lawsuit commensurate with open-end credit. Under an open-end credit plan, the cash-advance fee may be up to \$30.00. Under a closed-end credit plan, however, the onetime loan administrative fee may not exceed \$25.00. Minn. Stat. § 47.59, subd. 6(c)(4) and (d); Minn. Stat. § 604.113 subd. 2(a). In addition, only an open-end credit plan may contain “annual charges, not to exceed \$50 per annum.” Minn. Stat. § 47.59, subd. 6(c)(1).

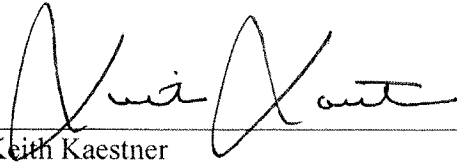
3. I understand that as part of the settlement of the lawsuit, Payday has agreed to no longer market and sell the loan product that is the subject of the lawsuit as open-end credit and further agrees that if it sells the loan product that is the subject of the lawsuit, then it will not assess, charge, and collect annual charges and cash advance fees in violation of Minnesota Statute Section 47.59, as amended.

4. Based on Payday's experience of charging fees commensurate with open-end credit, if over the next seven years Payday continued to market and sell the same loan product that is the subject of the lawsuit as open-end credit, then I estimate Payday could have reasonably expected to collect approximately \$7 million to \$9 million in cash advance fees and annual charges above the loan administrative fees commensurate with closed-end credit. As a result of the settlement, Payday will not charge this additional \$7 million to \$9 million on the loan product that is the subject of the lawsuit because it has agreed to no longer market and sell this loan product as open-end credit.

5. I further understand that as part of the settlement, Payday has agreed to reduce to \$0 any balances owed by Settling Class Members that arose from a loan that Payday made to the Settling Class Members during the Class Period and to cease collection efforts on such accounts. The total dollar amount of judgments that Payday obtained for loans made during the Class Period where the judgment remains unsatisfied is approximately \$850,000. If Payday were to collect all of the outstanding balances that it has agreed to reduce to \$0, Payday estimates that amount would total approximately \$850,000.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 6th day of June, 2018, in Minneapolis, Minnesota.



Keith Kaestner