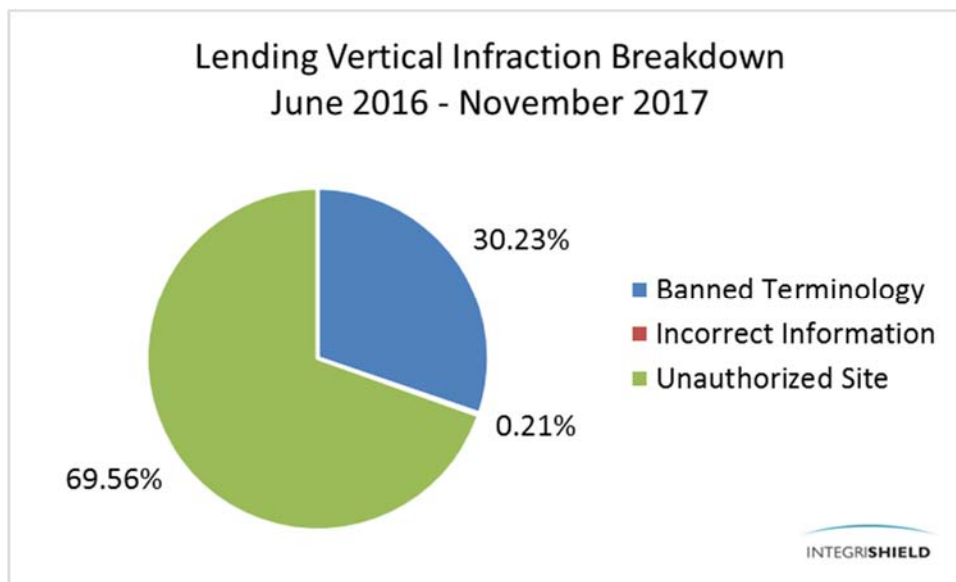


IntegriShield Payday Lending Industry Update

False affiliations and online ad fraud are still the leading violation impacting IntegriShield's small dollar lenders. As of November 30, 2017, 70% of our findings were unauthorized use of our client's brands. There were 3,612 URLs found to be pages using legitimate brand names, but owned and operated by individuals not affiliated or authorized to collect consumer information on behalf of our client's brands.



Upon discovery, IntegriShield's remediation team quickly identifies the site owner and sends a series of notices to take down the page content. The average number of days to remediate across the system is 57 days. As of November 30, 2017, 76% of our lending client's infractions for infringement have been remediated nationally and internationally.

According to the Consumer Financial Protection Bureau's (CFPB) 2016 Consumer Response Annual Report, "Of the 4,400 payday loan complaints submitted by consumers, approximately 56% were about problems consumers reported experiencing after obtaining (or attempting to obtain) a payday loan online." The inability to contact the lender was the top complaint category. During our mystery shopping experiences, some of these unauthorized sites mirror complaints seen on the CFPB site under the Payday Loan product category.

While bad actors will continue to infringe on brands, those companies taking a proactive approach will start to see a decline in the number of unauthorized sites over time and with it, a decline in the risk of being a target.