

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

COMMUNITY FINANCIAL SERVICES  
ASSOCIATION OF AMERICA, LTD., et al.,

Plaintiffs,

v.

FEDERAL DEPOSIT INSURANCE  
CORPORATION, et al.,

Defendants.

Civil Action No. 14-953-GK

**DECLARATION OF GLENN BASSETT**

Pursuant to 28 U.S.C. § 1746 and LCvR 11.2, I hereby declare as follows:

1. I am the Managing Partner of Northstate Check Exchange (“Northstate”), a money service business located in Redding, California. Northstate was founded in 1989 and has been providing financial services to the local community ever since that time. Among the services we offer are payday advance loans and check cashing.

2. From its inception Northstate has had an excellent compliance record. Northstate has never failed a compliance audit or had any regulatory complaints filed against it. Likewise, Northstate had always enjoyed an excellent relationship with its bank, North Valley. When I first learned about Operation Choke Point I had hoped that Northstate would avoid any problems from regulatory pressure being placed on banks because we had such an excellent relationship with North Valley, and we had done business with North Valley for [24] of years. However, when North Valley was purchased by a much larger bank, Tri Counties Bank, we received a

letter dated April 22, 2015, informing us that “it is the policy of the Bank to not bank or lend money to Pay Day Lenders.” A copy of this termination letter is attached hereto as Exhibit A.

3. When Northstate received this termination letter and confirmed with our local bank manager that there was no way to salvage our relationship despite our longstanding, profitable relationship, Northstate immediately began looking for alternative banking arrangements. Initially we were able to open an account with Wells Fargo, but within a few months we received a letter, a copy of which is attached hereto as Exhibit B, informing us that Wells Fargo was closing our account. The only explanation given was that “a business decision has been made to close your account(s) . . . and terminate services associated with the above account(s).” Based on my conversations with various bank managers it is my understanding that both Tri Counties and Well Fargo closed Northstate’s account because of the regulatory pressure placed on them that made continuing to do business with payday lenders untenable.

4. Northstate has been able to continue in business and stay afloat, at substantial additional costs, by using an account with Edward Jones for the payday lending side of Northstate’s business, but Northstate has arrived at a point where its ability to continue in the payday lending line of business is in serious jeopardy.

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

  
\_\_\_\_\_  
Glenn Bassett

1-9-2017  
\_\_\_\_\_  
Dated

# EXHIBIT A

April 22, 2015

Northstate Check X Change  
DBA Northstate Check Exchange  
2555 Bechelli Lane  
Redding, Ca 96002

Re: Tri Counties Bank – Account Number: # xxxxx5329 and #xxxxx2859

Dear Northstate Check Exchange:

During a recent review of the account activity associated with your status as a FinCen registered Money Services Business (MSB), it was noted that your business also operates as a Pay Day/Auto Title lender. While we do bank MSBs with effective anti-money laundering programs and who meet our due diligence requirements, it is the policy of the Bank to not bank or lend money to Pay Day Lenders.

Because of our stated policy, we regret to inform you that we will be unable to continue our banking relationship with your company after June 22, 2015. We want to give you ample notice so that you have time to make other arrangements for your business banking needs. Please visit one of our branches to coordinate the closure of your accounts. If you are unable to do so by June 22, 2015, we will issue a single check to the account holders of record and mail it to your address on file. Any checks presented for payment after that date will be returned. Please make the necessary arrangements to terminate any direct deposits or automatic payments from this account as soon as possible and discontinue writing checks on this account well in advance of the mandatory closure date.

Any loans you have outstanding with us will continue to be due and payable to the Bank under the terms of your note.

Please let us know if we can provide any assistance to ensure a smooth transition to your new banking relationship.

Sincerely,



Dena Rothmann, Regional Manager  
Tri Counties Bank

**NOTICE:** The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is FDIC Consumer Response Center, 1100 Walnut Street Box #11, Kansas City, MO 64106-2196.

# EXHIBIT B



WELLS  
FARGO

Risk Operations and  
Fraud Preventions Services  
MAC D1115-L13  
Attn: Act Team  
1525 West W. T. Harris Blvd  
Charlotte, NC 28262

10/28/2015

Northstate Check X-Change  
Andrew Bassett, Glenn Bassett  
Thomas Kurth, Dennis Riley, Judith Riley  
Jane Rowan, Della Thurston  
2555 Bechelli Lane  
Redding, California 96002-0900

Subject: Termination of Deposit Account  
Re: Account Number(s): \*\*\*\*\*7209

Dear Mr. Andrew Bassett, Mr. Glenn Bassett, Mr. Thomas Kurth, Mr. Dennis Riley, Ms. Judith Riley,  
Ms. Jane Rowan and Ms. Della Thurston:

Wells Fargo performs ongoing reviews of its account relationships in connection with the Bank's Responsibilities to oversee its banking operations. After careful review, a business decision has been made to close your account(s) referenced above and terminate services associated with the above account(s).

We are writing today to let you know that the account(s) and agreements will be terminated on 12/15/2015. We apologize for any inconvenience that this change may cause you. Please use this time period to make alternative banking arrangements with another financial institution.

As you make your alternative arrangements, please keep the following in mind:

Following closure of the above mentioned account(s), a cashier's check for all remaining collected and available funds in the referenced account(s) will be mailed to the last address of record for your company within ten (10) business days of the date the account is closed. Uncollected funds, if any, will be forwarded after collection. Any related products or services associated with this account will also be closed.

On the account closure date, monetary transactions on the account(s) will be blocked. This means:

- Up until 12/15/2015, no checks or other orders of withdrawal presented for payment will be paid unless the account in question at the time of presentment contains sufficient collected and available funds to cover the checks or orders of withdrawal presented at the time. Checks drawn on your account which are presented after 12/15/2015 will be returned and unpaid.
- If any funds are directly deposited to this account, these deposits will no longer be accepted after the account is closed.
- Any automatic payments from this account will be discontinued as of 12/15/2015.

If you have questions, please contact Risk Management Services at 704-590-5005, 8-5 p.m. EST.



C. Watson  
Risk Management Services