

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**QUANTUM-MAC INTERNATIONAL,
INC., and IMO S. OKWU**, Individually
and on Behalf of all Others Similarly
Situated,

Plaintiffs,

vs.

**WORLD BUSINESS LENDERS, LLC,
and WBL SPE III, LLC**,

Defendants.

CIVIL ACTION FILE NO.

**CLASS ACTION COMPLAINT AND
DEMAND FOR JURY TRIAL**

I. THE NATURE OF THE ACTION

1.

The plaintiffs are seeking relief from a “rent-a-bank” scheme being perpetrated by non-bank actors. A rent-a-bank scheme occurs when a lender “borrows” a federally regulated bank's preemption rights in order to fraudulently defeat their borrower's state's usury protections. In this case, the non-bank defendants, as *de-facto* lenders, extended a commercial loan to plaintiff Quantum-Mac with a disguised annual interest rate of 88% — a rate that is both criminally and civilly usurious under Georgia law. Quantum-Mac

has paid roughly \$27,000 of the \$50,000 principal, and will repay the balance. Under Georgia law the defendants must disgorge or disclaim the remaining \$133,519 of accrued interest.

In addition, defendant WBL SPE III, LLC (“WBL”) now threatens to conduct a non-judicial foreclosure sale of plaintiff Imo Okwu's personal residence. However, no note or guarantee signed by Okwu is collateralized by the Deed to Secure Debt whose power of sale WBL is exercising. Under Georgia law the defendants must terminate or rescind the non-judicial foreclosure sale scheduled for June 2, 2020.

Because of the pervasiveness of such unlawful conduct, a class action can and should be certified.

II. THE HOME

2.

This action concerns the below-described parcel of real estate, which is the principal dwelling of plaintiff Imo Okwu and located in Cobb County, Georgia (the “Home”):

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 1171 OF THE 19TH DISTRICT AND 2ND SECTION OF COBB COUNTY, GEORGIA, BEING LOT 11, BLOCK D, WESTRIDGE SUBDIVISION, UNIT II, AS SHOWN ON PLAT OF SURVEY MADE FOR CHARLES H. HUEY BY FRANK L BOYD, REGISTERED LAND

SURVEYOR, DATED JULY 12, 1976, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT AN IRON PIN ON THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE, 121.61 FEET NORTHWESTERLY FROM THE INTERSECTION OF THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE AND THE NORTHWESTERLY SIDE OF WESTON COURT AS MEASURED ALONG THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE: RUNNING THENCE WESTERLY ALONG THE NORTHERLY SIDE OF WESTVIEW DRIVE A DISTANCE OF 116.29 FEET TO AN IRON PIN; THENCE NORTH 02 DEGREES 32 MINUTES EAST 191 60 FEET TO AN IRON PIN; THENCE SOUTH 88 DEGREES 15 MINUTES EAST 141.6 FEET TO AN IRON PIN; THENCE SOUTH 09 DEGREES 40 MINUTES WEST 195.82 FEET TO AN IRON PIN ON THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE AND THE POINT OF BEGINNING, AND BEING KNOWN AS 4496 WESTVIEW DRIVE, POWDER SPRINGS, COBB COUNTY, GEORGIA 30127 ACCORDING TO THE CURRENT SYSTEM OF STREET NUMBERING; AND BEING ALL OF THE PROPERTY OBTAINED BY OKWU UNDER WARRANTY DEED DATED MAY 29, 2001, RECORDED JUNE 15, 2001, IN BOOK 13379, PAGE 122, COBB COUNTY DEED RECORDS; **TAX PARCEL ID: 19117100570.**

3.

The Home has a fair market value, net of legitimate encumbrances (its “net equity”) of no less than \$100,000.

III. THE PARTIES

Plaintiff Quantum-Mac International, Inc.

4.

Plaintiff Quantum-Mac International, Inc. (“Quantum-Mac”) is a Georgia corporation with its locus of operations in the state of Georgia.

Plaintiff Imo S. Okwu

5.

Plaintiff Imo S. Okwu (“Okwu”) is a citizen and resident of the state of Georgia.

Defendant World Business Lenders, LLC

6.

Defendant World Business Lenders, LLC (“World Business”), a New York Limited Liability Company, may be served in care of its registered agent in Georgia, to wit: Corporate Service Company, 40 Technology Parkway South, Suite 300, Norcross, Gwinnett County, Georgia.

7.

World Business’s principal business address and the “nerve center” of its operations is, on information and belief, 101 Hudson Street, 33rd Floor, Jersey City, New Jersey 07302-3905.

Defendant WBL SPE III, LLC

8.

Defendant WBL SPE III, LLC (“WBL”), a wholly owned subsidiary of World Business, and a Delaware Limited Liability Company; it may be served

in care of its registered agent for service, Cogency Global Inc., at 850 New Burton Rd., Ste. 201, Dover, Delaware 19904.

9.

WBL's principal business address and the "nerve center" of its operations is, on information and belief, 101 Hudson Street, 33rd Floor, Jersey City, New Jersey 07302.

IV. JURISDICTION AND VENUE

10.

The Court's subject-matter jurisdiction is invoked under 28 U.S.C. §1332(a) in that the amount in controversy exceeds \$75,000, exclusive of interest and costs, and there exists complete diversity among the parties.

11.

This Court has subject-matter jurisdiction to issue declaratory relief under 28 U.S.C. §§ 2201 and 2202 and Rule 57 of the Federal Rules of Civil Procedure in that an actual controversy exists between the Parties which is of sufficient immediacy and reality to warrant declaratory relief.

12.

This Court has subject-matter jurisdiction over the class-action claims asserted pursuant to the Class Action Fairness Act, 28 U.S.C. §1332(d)(2), because this lawsuit has been brought as a class action on behalf of a proposed class in excess of 100 members; the aggregate claims of the Class members exceed \$5 million exclusive of interest and costs; and, one or more of the members of the Class is a citizen of a different state than the defendants.

13.

The claims asserted in this action and on behalf of the proposed class “arise out of or relate to” the defendants’ contacts with Georgia.¹

14.

The defendants purposefully availed themselves of the benefits of Georgia, and therefore can be said to have reasonably anticipated being haled into Georgia.²

¹ See *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 472 (1985), *Hanson v. Denckla*, 357 U.S. 235, 253 (1958).

² *Burger King Corp.*, 471 U.S. at 472.

15.

All of the defendants are subject to the jurisdiction of this Court pursuant to Georgia's Long Arm Statute, OCGA § 9-10-91, as the defendants transact business within Georgia, have committed a tortious act or omission in Georgia, and/or have committed a tortious injury in Georgia caused by an act or omission outside of Georgia.

16.

All of the defendants regularly do and solicit business, and engage in other persistent courses of conduct, and derive substantial revenue from services rendered in Georgia.

17.

This Court's exercise of personal jurisdiction over the named defendants comports with "fair play and substantial justice."³

18.

This Court's exercise of personal jurisdiction over the defendants would not violate the Due Process Clause of the Fourteenth Amendment to the United States Constitution.

³ *Burger King Corp.*, 471 U.S. at 472.

19.

Venue is proper in the Northern District of Georgia, Atlanta Division, under 28 U.S.C. §1391(b) because it is a judicial district in which a substantial part of the events or omissions giving rise to the claims occurred.⁴

V. FACTUAL ALLEGATIONS

20.

On May 29, 2001, Okwu acquired title to the Home, his primary residence, via a warranty deed that was recorded on June 15, 2001, and indexed at Book 13379, Page 501 of the Cobb County, Georgia real estate records.

21.

Okwu financed the purchase price of the Home with a conventional, 30-year mortgage loan.

22.

Okwu, an engineer by profession, is the sole shareholder and president of Georgia corporation and plaintiff Quantum-Mac.

⁴ See also O.C.G.A. § 9-10-93.

23.

In 2018 Quantum-Mac was presented with a unique business opportunity arising from a contract to provide engineering services that it entered into with the City of Atlanta, Georgia.

24.

To perform under its contract with the City, Quantum-Mac required a virtually immediate infusion of operating capital.

25.

Quantum-Mac contacted a loan broker who referred it to World Business.

26.

World business agreed to make a short-term, \$50,000 commercial loan to Quantum-Mac.

27.

When Quantum-Mac (by its officer, Okwu) was presented with the loan documents to sign, the name of the lender that appeared on the paperwork was *BOFI Federal Bank*.⁵

⁵ See Note, Attachment “A.”

28.

On October 1, 2018, BOFI Federal Bank changed its name to *Axos Bank* (hereinafter “Axos”).

29.

Axos is a federal savings bank organized under the laws of the United States.⁶

30.

Axos is a wholly-owned subsidiary of Axos Financial Inc., f/k/a BofI Holding, Inc.

31.

Prior to September 12, 2018, Axos Financial, Inc. was known as BofI Holding, Inc.

32.

Axos’s main office and official headquarters is located at 4350 La Jolla Village Drive, Suite 140, San Diego, California 92122.⁷

⁶ See the National Bank Act, codified at 12 U.S.C. §§ 21, *et seq.* (“NBA”)

⁷ <https://www.occ.gov/institution-search-final/details?bQuery=Axos> (last viewed May 30, 2020).

33.

Although Axos has an operating presence in the State of Nevada, the lion's share of Axos's loans and deposits are located in the State of California.

34.

For example, between 2016 and 2018, Axos originated or purchased approximately \$116 million of loans in Nevada; in California during the same period this figure was approximately \$563.3 million.⁸

35.

On or about September 5, 2018, Quantum-Mac took out a loan in the principal amount of \$50,000 (the "Quantum-Mac Loan").

36.

At the time of the issuance of the Quantum-Mac Loan, Axos was known as "BOFI Federal Bank."

37.

To memorialize the Quantum-Mac Loan, Okwu, in his official capacity as President of Quantum-Mac, executed a document captioned "Business

⁸ See Office of the Comptroller of the Currency, March 3, 2019 CRA Performance Evaluation report (Axos Bank, Charter Number: 716456) [https://www.occ.gov/static/cra/craeval/aug19/716456.pdf](https://www OCC.gov/static/cra/craeval/aug19/716456.pdf) (last viewed May 31, 2020).

Promissory Note and Security Agreement” and dated September 5, 2018 (the “Note”).⁹

38.

Okwu did not execute the Note, or any other document associated with the Quantum-Mac Loan, in his personal or individual capacity.

39.

The terms of the Note required the borrower to repay the entire (amortized) Quantum-Mac Loan over a 463-day term — ending December 12, 2019.

40.

The Note’s principal was to accrue interest at a daily rate of .281369863014% [*sic*] — the equivalent of 88% per year — and a rate whose excessiveness was disguised by its being quoted at its daily equivalent.

41.

At the end of the Quantum-Loan term the borrower was scheduled to have repaid a total of \$50,000 principal plus an additional \$55,813.70 in accrued interest.

⁹ Attachment “A.”

42.

In connection with the Quantum-Mac Loan transaction, Okwu *personally* executed a Security Deed to his Home in favor of Axos (the “Security Deed”).¹⁰

43.

Okwu never agreed to be personally obligated to satisfy the Note.

44.

Okwu never agreed to personally guarantee the Quantum-Mac Loan.

45.

The Security Deed was remarkable for several reasons, a few of which will be discussed below in ¶¶ [46–59](#).

The security deed collateralized a loan on which Okwu was not obligated and that he did not guarantee.

46.

First, the Security Deed represented a pledge of collateral for a loan that was taken out by *Quantum-Mac*... and regarding which Okwu was neither a co-obligor nor a guarantor.

¹⁰ Attachment “B.”

*The security deed was prepared by
and to be serviced by World Business*

47.

Second, the Security Deed featured a caption that made reference to: *World Business*, as shown (in part) in Figure 1:

RECORDATION REQUESTED BY: World Business Lenders, LLC 101 Hudson Street, 33 rd Floor Jersey City, NJ 07302-3905	Cobb County, GA Participant IDs: 9193983001 7067927936
WHEN RECORDED MAIL TO: World Business Lenders, LLC 101 Hudson Street, 33 rd Floor Jersey City, NJ 07302-3905	
SEND TAX NOTICES TO: World Business Lenders, LLC 101 Hudson Street, 33 rd Floor Jersey City, NJ 07302-3905	
PREPARED BY: World Business Lenders, LLC 101 Hudson Street, 33 rd Floor Jersey City, NJ 07302-3905 CD-6A 481406	Tax exempt as principal is due by December 12, 2019.
SECURITY DEED	
THIS SECURITY DEED dated September 6 th , 2018 is made and executed between Imo S. Okwu, whose address is 4496 Westview Dr., Powder Springs, GA 30127 and BOFI Federal Bank, its Successors and or Assigns, whose address is 9205 West Russell Road, Suite 400 Las Vegas, NV 89148 (referred to below as "Lender").	

Figure 1 – Caption of Security Deed (Attachment “B”)

48.

On its face, the Security Deed declared it was prepared by *World Business*.

49.

On its face, the Security Deed declared that, after its recording, the original instrument was to be mailed to *World Business*, at a Jersey City, New Jersey address.

50.

On its face, the Security Deed declared that [ad valorem] tax notices were to be sent to *World Business*, at a Jersey City, New Jersey address.

51.

The Security Deed was recorded on September 11, 2018, and indexed at Deed Book 15570, Pages 2310–319 of the Cobb County, Georgia real estate records.

*World Business prepares the
assignment of the Security Deed.*

52.

Third, sometime after the Security Deed was recorded, *World Business* prepared an instrument captioned “Assignment of Security Deed” (the “First Assignment”)¹¹

53.

The First Assignment was executed by one “Shannon Flood,” a self-declared Vice President of World Business, as attorney in fact for Axos. Flood’s signature line is reproduced in part in Figure 2:

¹¹ Attachment “C.”

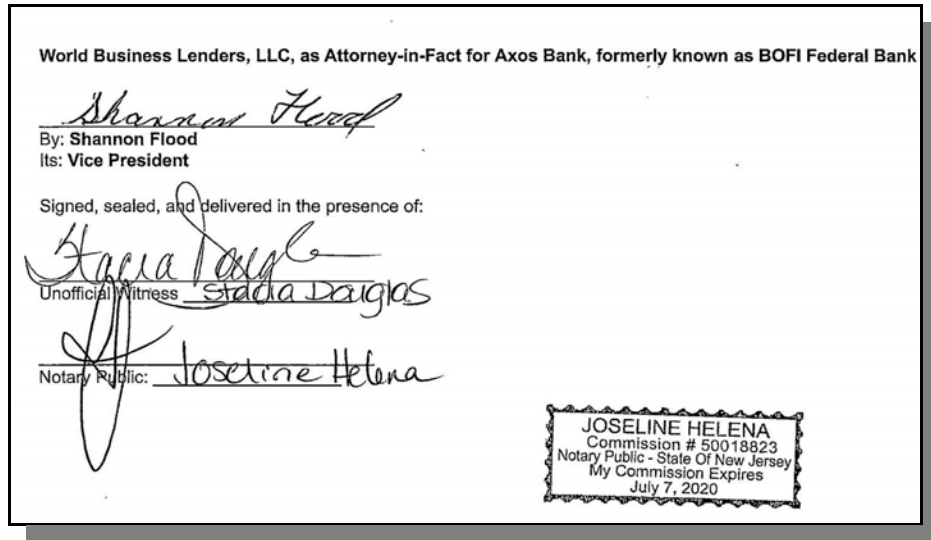


Figure 2 — Excerpt (signature block) Attachment “C”

54.

The ostensible purpose of the First Assignment was to transfer the Security Deed from Axos to World Business.

55.

Sometime after the First Assignment from Axos to World Business was prepared, another instrument captioned “Assignment of Security Deed” was prepared (the “Second Assignment”)¹²

¹² Attachment “D.”

56.

The ostensible purpose of the Second Assignment was to transfer the Security Deed from World Business to WBL

57.

The Second Assignment was *also* executed by “Shannon Flood,” World Business Lenders’s vice president. Flood’s signature line is reproduced in part in Figure 3.

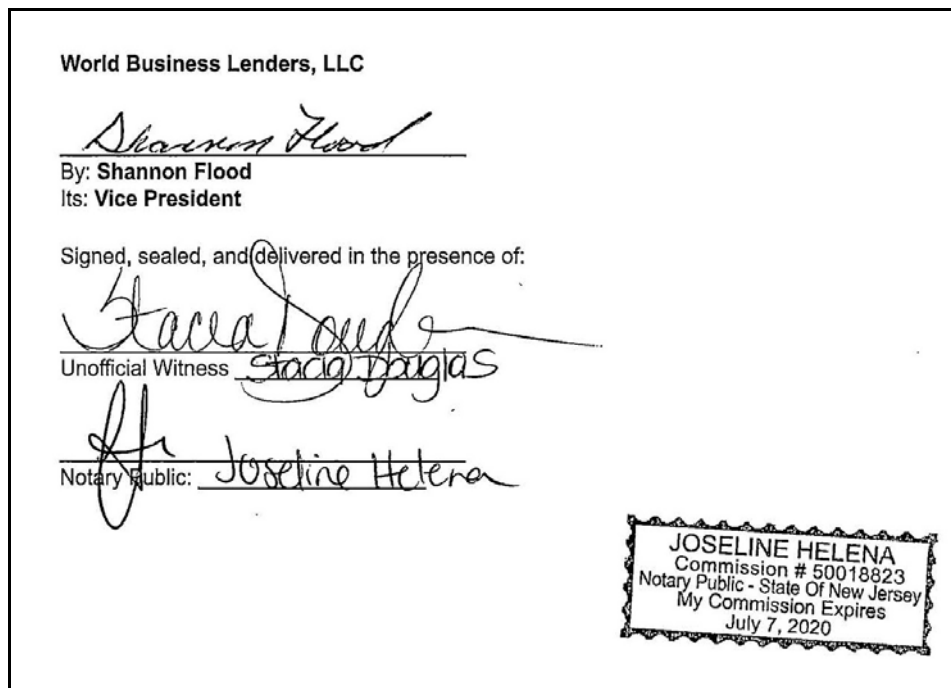


Figure 3 — Excerpt (signature block) Attachment “D”

58.

Each assignment was executed by Flood and witnessed by the same official and unofficial witness.

59.

The assignments were each recorded on August 23, 2019, and indexed at Deed Book 15658, Pages 6189 and 6192 respectively of the Cobb County, Georgia real estate records.

Quantum-Mac experiences cash-flow issues

60.

The best-laid plans of mice and men often go awry.¹³

61.

Beginning in the winter of 2018, Quantum-Mac experienced financial difficulties and cash-flow issues arising from the City of Atlanta's performance of Quantum-Mac's engineering contract with the City.

62.

Had the City performed as agreed under its contract with Quantum-Mac, the Quantum-Mac Loan would have been quickly satisfied and retired.

¹³ Paraphrasing Robert Burns, *To a Mouse* (1786).

63.

In light of its cash-flow issues, in December of 2018, Quantum-Mac contacted World Business to attempt to renegotiate the Quantum-Mac Loan.

64.

World Business agreed to amend certain terms of the Quantum-Mac Loan, which included capitalizing Quantum-Mac's arrearage (which already included accrued interest and thus raising Quantum-Mac's effective interest rate due to the compounding); but it made few, if any, substantive concessions on the original loan terms.

65.

By May of 2019, Quantum-Mac could no longer service the Quantum-Mac Loan, which, by that time, was accruing daily interest charges of \$282.67 that were being automatically debited from Quantum-Mac's bank account.

The "rent-a-bank" scheme

66.

On information and belief, and at all times relevant to this Complaint, all of the named defendants were engaged in what is known as a "rent-a-bank" or a "rent-a-charter" scheme (the "Scheme").

67.

The Quantum-Mac Loan is, on information and belief, just one of many other loans to hundreds of other borrowers (the “Loans”) that were originated and consummated under the Scheme.¹⁴

68.

Under the Scheme, Axos is the lender in name only.

69.

Axos has little substantial involvement in the origination or consummation of the Loans, each of which is actually made by defendant World Business.

70.

Axos only contributes its charter and national-bank status for the purpose of defeating the protections afforded by state usury laws.

71.

At all times relevant to this Complaint, a primary purpose of the Scheme was to allow World Business to circumvent state usury laws, including those of Georgia, that limit the interest rates and other finance charges that may be

¹⁴ These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

assessed on the Loans.¹⁵

72.

At all times relevant to this Complaint, World Business assumes responsibility for all servicing and administration of the Loans — even before Axos formally assigns the Loans to it.¹⁶

73.

On information and belief, and at all times relevant to this Complaint, World Business pays all of Axos's expenses and fees in connection with the origination and consummation of the Loans.¹⁷

74.

On information and belief, and at all times relevant to this Complaint, World Business determines which loan applicants will receive Axos loans and

¹⁵ These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

¹⁶ See ¶¶ [47](#) – [59](#), *supra*. Additional evidentiary support is anticipated to be discovered “after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

¹⁷ These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

bears all costs of making these determinations.¹⁸

75.

On information and belief, and at all times relevant to this Complaint, World Business assumes responsibility for all communications with loan applicants and consumers who receive Axos Loans.¹⁹

76.

On information and belief, and at all times relevant to this Complaint, World Business bears all risk of default, and is obligated to indemnify Axos against any claim arising from Axos's participation in the Scheme.²⁰

77.

On information and belief, and at all times relevant to this Complaint, World Business collects a large percentage of the profits on the Loans while

¹⁸ These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

¹⁹ These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

²⁰ These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

Axos's share is de minimis.²¹

78.

On information and belief, and at all times relevant to this Complaint, World Business directs the collection of payments from or enforcement of rights against borrowers arising from the loans and collects delinquency charges on the loans for late payments.²²

79.

On information and belief, and at all times relevant to this Complaint, World Business makes or collects charges from borrowers that exceed the maximum finance charges that are permitted for supervised loans under Georgia Law.²³

²¹ These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

²² These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

²³ These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

80.

On information and belief, World Business paid all of Axos's expenses and fees in connection with the origination and consummation of the Quantum-Mac Loan.²⁴

81.

On information and belief, World Business paid all of Axos's expenses and fees in connection with the origination and consummation of the Quantum-Mac Loan.²⁵

82.

At all times relevant to this Complaint, World Business, WBL, and Axos were engaging in a rent-a-bank scheme — an activity recently described on National Public Radio as follows:

ARNOLD: That's Lauren Saunders, an attorney with the National Consumer Law Center. She says a lot of these online lenders are using what she calls rent-a-bank schemes. This lets them skirt state law because there's no federal cap on interest rates, and most banks

²⁴ These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

²⁵ These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

are not subject to the state rate caps. Saunders says this can work in different ways, but the simple version is this. The online lender does basically all the work to find the customers, approve the loans, collect on them, but right when someone gets a loan...

SAUNDERS: At the moment that the money actually goes to the consumer...

ARNOLD: That money comes from a bank that's not covered by the interest rate limitations. So she says the online lender then immediately buys the loan back from the bank.

SAUNDERS: So it's not really a bank loan. They're just using banks as a fig leaf to make really high-cost loans — 160% interest — in states where those loans are illegal.²⁶

The Notice of Sale

83.

In May 2020, WBL began publishing a notice of its intention to auction off Okwu's Home at a non-judicial foreclosure sale to take place on the Cobb County courthouse steps on June 2, 2020.

84.

According to the published notice, the non-judicial foreclosure sale is authorized under the power of sale in the Security Deed.

²⁶ See <https://www.npr.org/2019/11/12/778632599/how-some-online-lenders-dodge-state-laws-to-charge-triple-digit-interest-rates> (last viewed May 30, 2020) — tinyurl cite: <https://tinyurl.com/yafwjxc8>.

85.

Quantum-Mac attempted, again, to renegotiate the Quantum-Mac Loan but WBL refused to suspend the foreclosure sale.

86.

Okwu, through counsel, notified WBL's counsel in writing that WBL lacked the authority to sell Okwu's home, but the notice has been ignored.²⁷

87.

As a direct and proximate result of the Quantum-Mac Loan transaction, Quantum-Mac has incurred damages, including but not limited to illegal interest payments in an amount no less than \$133,519 of interest, bank fees, attorneys fees, and consequential damages.

88.

Should the threatened foreclosure sale be consummated, Okwu stands to lose in excess of \$100,000 of equity in his Home.

²⁷ Attachment "E."

V. CLAIMS FOR RELIEF

FIRST COUNT (Okwu’s Request for Declaratory Judgment Determining that the Security Deed does not encumber his Home)

89.

The allegations in ¶¶ [20](#) – [88](#) are incorporated herein.

90.

Under the Federal Declaratory Judgment Act (“FDJA” — 28 U.S.C. §§ 2201–2202), “any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.”²⁸

91.

Okwu seeks a declaration of legal rights as between himself and the named defendants.

²⁸ 28 U.S.C. § 2201(a).

92.

Okwu has suffered or stands to suffer an actual injury in the form of the loss of the equitable title to his Home and valuable economic equity in excess of \$100,000.

93.

There exists an actual, immediate, substantial, and justiciable controversy between Okwu and the named defendants arising out of the factual allegations stated in ¶¶ [20](#) – [88](#).

94.

The factual allegations stated in ¶¶ [20](#) – [88](#) give rise to a case or controversy that entitles Okwu to relief under the FDJA.

95.

The legal interests of Okwu and the named defendants are adverse.

96.

Okwu has a practical interest in the declaration of legal rights sought under this Count.

97.

Under Georgia law, a personal guarantee must be in writing to be effective.

To be legally binding on the promisor, “[a] promise to answer for the debt, default, or miscarriage of another,” must be “in writing and signed by the party to be charged therewith or some person lawfully authorized by him or her.”²⁹

98.

Here, the Security Deed does not secure any personal debt, obligation, or written guarantee entered into by Okwu.

99.

“A security deed, although conveying the legal title, does so for the purpose of security only, and, upon the satisfaction of the obligation which it is given to secure, is automatically extinguished in effect....”³⁰

²⁹ To be legally binding on the promisor, “[a] promise to answer for the debt, default, or miscarriage of another,” must be “in writing and signed by the party to be charged therewith or some person lawfully authorized by him or her.” O.C.G.A. § 13-5-30(a)(2); see *Chastain-Roberts Co., Inc. v. Better Brands, Inc.*, 141 Ga. App. 186, 190 (1977) (holding that “a promise to answer for the debt of another must be in writing”).

³⁰ See *Hennessy v. Woodruff*, 210 Ga. 742, 744 (1954); see O.C.G.A. § 44-14-67 (“...payment of the [secured] debt to any person legally authorized to receive the same, shall operate to reconvey the title of the property to the grantor or the grantor’s heirs, executors, administrators, or assigns.”).

100.

In the absence of an outstanding obligation or guarantee to be secured, the Security Deed is void *ab initio* or, alternatively, automatically extinguished by operation of law; and, the legal title conveyed to Axos automatically reverted back to and merged with Okwu's equitable title to the Home by operation of law.³¹

101.

Furthermore, Okwu is not in privity with either or both of the defendants.

102.

Accordingly, and assuming for the sake of argument that Okwu had entered into an enforceable contract to guarantee the Loan, then only Axos would be authorized to exercise the power of sale in the Security Deed.³²

³¹ See *Northwest Carpets, Inc. v. First Nat'l Bank of Chatsworth*, 280 Ga. 535, 537 (2006) (holding that the "satisfaction of the obligation which [a security deed] is given to secure," automatically extinguishes even a security deed with an "open end or "dragnet" clause).

³² Guaranties alone are not negotiable instruments since they are conditional promises to pay a sum certain, and thus don't satisfy the UCC's definition of a negotiable instrument. See O.C.G.A. §§ 11-3-104(1)(b); 11-3-105(2)(a)"; *Fidelity Nat'l Bank v. Reid*, 180 Ga. App. 428, 430 (1986).

103.

Title to the Home should be declared to have reverted back to Okwu by operation of the automatic reversion of Georgia Code Section 44-14-67, thus rendering the Security Deed void and ineffectual.

104.

Okwu is entitled to an order, decree, and judgment (in recordable format) that declares and determines that the Security Deed reverted back to Okwu by operation of law, and that the Security Deed is, accordingly, void and ineffectual, and that it does not encumber the Home in any way.

105.

A favorable decision by this Court is likely to address Okwu's injury.

106.

After reasonable notice and hearing, Okwu is entitled to such other and further necessary or proper relief based on this Court's declaration of the rights of the parties under this Count.

SECOND COUNT
(Okwu and Quantum's Request for
Declaratory Judgment Determining that the
Loan is Usurious under Georgia Law)

107.

The allegations in ¶¶ [20](#) – [88](#), and [90](#) are incorporated herein.

108.

Okwu and Quantum seek a declaration of legal rights as between the named parties.

109.

The Quantum-Mac Loan is subject to the restrictions of Georgia Code Section 7-4-18(a), which states in pertinent part:

(a) Any person, company, or corporation who shall reserve, charge, or take for any loan or advance of money, or forbearance to enforce the collection of any sum of money, any rate of interest greater than 5 percent per month, either directly or indirectly, by way of commission for advances, discount, exchange, or the purchase of salary or wages; by notarial or other fees; or by any contract, contrivance, or device whatsoever shall be guilty of a misdemeanor....

110.

In other words, Code Section 7-4-18(a) outlaws any loan whose interest rate exceeds 60% per year.

111.

Because the Quantum-Mac Loan’s interest rate exceeds 60% per year, *any and all* interest accruing on the principal is uncollectible and forfeit by operation of law.³³

112.

The Quantum-Mac Loan is not subject to regulation or preemption under the Depository Institutions Deregulation and Monetary Control Act of 1980 (“DIDA”) for many reasons, just a few of which are discussed below.³⁴

A. Axos is not the true lender in this rent-a-bank scheme.

113.

First, Axos is not the “true lender.”

114.

Given the obvious levels of control that World Business executed over the entire loan transaction from origination to servicing, Axos is the lender in name only; and, World Business is the *de facto*, “true” lender.

³³ See *Norris v. Sigler Daisy Corp.*, 260 Ga. 271, 273 (1990) (holding that interest charged at a usurious rate “must be forfeited” in its entirety).

³⁴ Pub. L. No. 96–221 § 521, 94 Stat. 132, codified as section 27 of the Federal Deposit Insurance Act (12 U.S.C. 1831d).

115.

Under DIDA, Axos is allowed to charge interest on loans it makes in Georgia at rates that are as high as “the rate allowed by the laws of the State, territory, or district where the bank [Axos] is located, whichever may be greater.”³⁵

116.

Conveniently, the state of Nevada, from which Axos falsely claims provenance in the Note, has no maximum usury rate.

117.

Other courts have found that similar rent-a-bank arrangements represent conspiracies by de facto lenders to evade state regulation, and that public policy dictates that they be disregarded on the “true-lender” theory.³⁶

³⁵ See 12 U.S.C.A. § 1831d(a).

³⁶ See, e.g., *In re Community Bank*, 418 F.3d 277, 295–96 (3d Cir. 2005); *Colorado ex rel. Salazar v. Ace Cash Exp., Inc.*, 188 F. Supp.2d 1282 (D. Colo. 2002); *Madden v. Midland Funding, LLC*, 786 F.3d 246, 250-51 (2d Cir. 2015) (ruling that assignee of loan from a national bank was subject to state usury law); Order Denying Motion to Dismiss in *Pennsylvania v. Think Fin., Inc.*, No. 14-cv-7139, 2016 U.S. Dist. LEXIS 4649 at *3, *72, 2016 WL 183289 (E.D. Pa. Jan. 14, 2016).

B. Axos is not a Nevada Institution.

118.

Even if Axos were found to be the true lender (it's not) Axos's arbitrary selection of Nevada as its home state — thus supplying the basis for the Note's choice-of-law clause — is also an artifice.

119.

Under the National Bank Act, Axos is, by operation of law, a citizen of the State of California.³⁷

C. Georgia law controls this action.

120.

Absent an enforceable choice-of-law provision, under Georgia law the validity and “interpretation of a contract are governed by the substantive law of the state where the contract was made, except that where the contract is made in one state and is to be performed in another state, the substantive law

³⁷ 28 U.S.C. § 1348; see *Wachovia Bank v. Schmidt*, 546 U.S. 303, 307 (2006) (“a national bank, for § 1348 purposes, is a citizen of the State in which its main office, as set forth in its articles of association, is located”).

of the state where the contract is performed will apply.”³⁸

121.

However, under Georgia law, contract formation principles cannot “be used to abrogate a state’s police powers.”³⁹

122.

Specifically, a choice-of-law provision in a contract cannot be used to defeat Georgia’s usury laws:

The parties to a private contract who admittedly make loans to Georgia residents cannot, by virtue of a choice of law provision, exempt themselves from investigation for potential violations of Georgia’s usury laws.⁴⁰

³⁸ See *Today's Shopping Network, Inc. v. Roberts Commc'ns Network, Inc.*, 1:05-CV-1908-JEC, 2006 WL 8432839, at *4 (N.D. Ga. Feb. 13, 2006) (citing

³⁹ See *Western Sky Financial, LLC v. State ex rel. Olenz*, 300 Ga. 340, 346–47 (2016) (quoting with approval *Hudson County Water Co. v. McCarter*, 209 U.S. 349, 357 (1908): “[o]ne whose rights, such as they are, are subject to state restriction, cannot remove them from the power of the state by making a contract about them... [t]he contract will carry with it the infirmity of the subject matter”); but cf. *Viridis Corp. v. TCA Glob. Credit Master Fund, LP*, 721 Fed. Appx. 865, 874 (11th Cir. 2018) (Nevada forum-selection clause is enforceable only because usury defense is “waivable under Florida law”) (emphasis added).

⁴⁰ *BankWest, Inc. v. Oxendine*, 266 Ga. App. 771, 775 (2004) (case involving an investigation into payday-lending practices).

123.

The Quantum-Mac Loan has no actual connection to the State of Nevada.

124.

Because neither World Business nor WBL are federally regulated banks (or banks at all), they don't benefit from any federal preemption against state usury claims.⁴¹

125.

The factual allegations in ¶¶ [20](#) – [88](#) give rise to a case or controversy that entitle Okwu and Quantum to relief under the FDJA.

126.

There exists an actual, immediate, substantial, and justiciable controversy between the named parties arising out of the factual allegations.

127.

Okwu has suffered or stands to suffer an actual injury in the form of the loss of the equitable title to and the economic equity in his Home.⁴²

⁴¹ See, e.g., *In re Community Bank*, 418 F.3d 277, 295–96 (3d Cir. 2005) (holding that state law claims against a non-bank are sufficient to avoid preemption under DIDA and NBA).

⁴² Okwu acknowledges that if this Court grants him relief under his First Count for Declaratory Judgment — i.e., declaring that the Quantum-Mac Loan

128.

Quantum stands to suffer an actual injury including, by way of example, legal liability for the payment of usurious interest.

129.

The legal interests of the named plaintiffs and the named defendants are adverse.

130.

Okwu and Quantum have a practical interest in the declaration of legal rights sought under this Count.

131.

Okwu and Quantum are entitled to an order, decree, and judgment declaring and determining that Axos is not the true lender of the Quantum-Mac Loan and that Defendant World Business, defendant WBL, or both are individually or collectively the true lenders in connection with the Quantum-Mac Loan, and that, accordingly, they may not escape the usury protections afforded by Georgia law to Georgia citizens and actors.

does not encumber the Home — then this (Second) Count for Declaratory Judgment would be moot as to him but not as to Quantum-Mac.

132.

Alternatively, even if Axos is determined to be the true lender regarding the Quantum-Mac Loan (it's not), its actual headquarters and home state under the DIDA and NBA is in actuality California, and not Nevada; and, accordingly, California's usury laws (which are more restrictive than Georgia's) would control the Quantum-Mac Loan.

133.

Okwu and Quantum are entitled to an order, decree, and judgment declaring and determining that the Quantum-Mac Loan is usurious under Georgia law, and therefore that only the principal portion of the Quantum-Mac Loan is due to be repaid, and any interest paid or demanded is to be forfeit or disgorged.

134.

A favorable decision by this Court is likely to address either or both plaintiffs' injuries.

135.

After reasonable notice and hearing, Okwu and Quantum are entitled to such other and further necessary or proper relief based on this Court's

declaration of the rights of the parties under this Count.

THIRD COUNT
(Okwu's Claim for Conventional Quiet
Title under O.C.G.A. § 23-3-40, et seq.)

136.

The allegations in ¶¶ [20](#) – [88](#), and [90](#) – [135](#) are incorporated herein.

137.

The Security Deed has caused title to Okwu's Home to be clouded.

138.

The Security Deed is the product of inequitable and unlawful conduct.

139.

The Security Deed operates to throw a cloud or suspicion upon Okwu's title.

140.

Okwu is threatened with injury because, due to the cloud on his title, he may lose lawful record title to and lawful possession of the Home if the non-judicial foreclosure sale were to occur or not be rescinded.

141.

Under Georgia Code Sections 23-3-41 and 23-3-42, Okwu is entitled to the equitable remedy of quia timet to cancel of record the Security Deed recorded at Deed Book 15570 Pages 2310–19 of the Cobb County deed records.

142.

Okwu is entitled to costs of litigation against the defendants “in the discretion of the court” under Georgia Code Section 23-3-41.

**FOURTH COUNT
(Quantum’s claim for Civil Usury)**

143.

The allegations in ¶¶ [20](#) – [88](#), and [90](#)– [135](#) are incorporated herein.

144.

Georgia Code Section 7-4-18(a) outlaws any loan whose interest rate exceeds 60% per year.

145.

Because the Quantum-Mac Loan’s interest rate exceeds 60% per year, *any and all* interest accruing on the principal amount is uncollectible by operation

of law.⁴³

146.

Quantum is entitled to relief in the form of an equitable rescission of its contractual obligation to pay any interest accruing on the Quantum-Mac Loan principal.

**FIFTH COUNT
(Okwu's Claim for
Wrongful Foreclosure)**

147.

The allegations in ¶¶ [20–146](#) are incorporated herein.

148.

Georgia law, found at Code Section 23-2-114, requires “[p]owers of sale in deeds of trust, mortgages, and other [] instruments be strictly construed and [] be fairly exercised.”⁴⁴

⁴³ See *Norris v. Sigler Daisy Corp.*, 260 Ga. 271, 273 (1990) (holding that interest charged at a usurious rate “must be forfeited” in its entirety).

⁴⁴ Although there is a technical difference between the concepts of “deed of trust” or “mortgage” and “security deed” these terms have been declared to be effectively interchangeable in this context. See, e.g., *U.S. Bank v. Gordon*, 289 Ga. 12, 14 (2011) (“[T]his court has treated deeds to secure debts... as equitable mortgages.”)

149.

Breach of the requirement of fairly exercising the power of sale represents an actionable breach of duty: “[t]here exists a statutory duty upon a [mortgage lender] to exercise [the power of sale] fairly and in good faith... . Although arising from a contractual right, breach of this duty is a tort [, i.e., “wrongful foreclosure,”] compensable at law.”⁴⁵

150.

A claim for wrongful foreclosure may be brought against a party who has “no legal right to foreclose on the property.”⁴⁶

151.

A claim for wrongful foreclosure gives the aggrieved debtor alternative legal remedies of (a) cancellation of the foreclosure sale and recovery of damages not associated with the value of the property, or (b) damages for the

⁴⁵ See *Calhoun First Nat’l Bank v. Dickens*, 264 Ga. 285 (1994); see *Stewart v. Suntrust Mortgage, Inc.*, 331 Ga. App. 635, 639 (2015) (breach of the servicer’s duty of loyalty and good faith in servicer’s capacity as borrower’s attorney-in-fact also gives rise to wrongful foreclosure).

⁴⁶ See *Mike's Furniture Barn, Inc. v. Smith*, 342 Ga. App. 558, 563 (2017).

loss of the equity in the unlawfully-foreclosed property.⁴⁷

152.

Despite the fact that, as of the filing of this Complaint, the noticed non-judicial foreclosure sale remains unconsummated, defendant WBL has nevertheless commenced foreclosure proceedings as against Okwu's Home without authority and unlawfully.

153.

"It is not necessary that [a] foreclosure be completed to bring an action for wrongful foreclosure." The fact that the creditor "initiated foreclosure proceedings by advertising the properties for sale is sufficient to support a claim for wrongful foreclosure."⁴⁸

154.

WBL's actions (and those of its principal, World Business) have directly

⁴⁷ See *Calhoun First Nat'l Bank*, 264 Ga. at 285, *Royston v. Bank of America, N.A.*, 290 Ga. App. 556, 556 n.1 (2008), *Kennedy v. Gwinnett Commercial Bank*, 155 Ga. App. 327 (1980) (alternative remedies for wrongful foreclosure).

⁴⁸ *Sears Mortgage Corp. v. Leeds Bldg. Products*, 219 Ga. App. 349, 350 (1995), *aff'd in part, rev'd in part*, 267 Ga. 300 (1996), and vacated in part, 225 Ga. App. 806 (1997), citing *Sale City v. Planters & Citizens Bank*, 107 Ga. App. 463 (1963).

and proximately caused Okwu to suffer substantial mental anguish, nervousness, sleeplessness, and anxiety.⁴⁹

155.

WBL and World Business are liable to Okwu for exercising the power of sale and threatening to foreclose on his Home without the legal authority to do so in an amount to be determined.

**SIXTH COUNT
(Okwu's Claim for Wrongful
Attempted Foreclosure)**

156.

The allegations in ¶¶ [20](#) – [155](#) are incorporated herein.

157.

Despite the fact that, as of the filing of this Complaint, the noticed non-judicial foreclosure sale remains unconsummated, the World Business Defendants have nevertheless commenced foreclosure proceedings as against

⁴⁹ See *Essien v. CitiMortgage, Inc.*, 335 Ga. App. 727(2016), citing with approval, *In re Pullen*, 451 B.R. 206, 212 (Bankr. N.D. Ga. 2011), for the proposition that an attorney's transmitting letters "threatening immediate foreclosure, despite fact that lender whom he represented, before accelerating indebtedness, had not complied with notice provisions of deed to secure debt, the complaint stated a claim for attempted wrongful foreclosure in violation of Georgia law, which could support an award of damages for emotional distress, as well as violations of the Fair Debt Collection Practices Act." *Id.* at 729.

the Home without authority and unlawfully.

158.

The World Business Defendants' actions have directly and proximately caused Okwu to suffer substantial mental anguish, nervousness, sleeplessness, and anxiety.

159.

The World Business Defendants are liable to Okwu for attempting to exercise the power of sale and threatening to foreclose on Okwu's Home without the legal authority to do so in an amount to be determined.

160.

The World Business Defendants are liable to Okwu for attempting to exercise the power of sale and threatening to foreclose on Okwu's Home without the legal authority to do so in an amount to be determined.

**SEVENTH COUNT
(Okwu's and Quantum's Claim
for Expenses of Litigation for
State-Law Claims Under
O.C.G.A. § 13-6-11)**

161.

The allegations in ¶¶ [20](#) – [160](#) are incorporated herein.

162.

Okwu and Quantum have incurred and will continue to incur attorney's fees and other expenses of litigation to prosecute the state-law claims asserted in this action.

163.

Each named defendant's actions has demonstrated bad faith, has no legal justification, and has caused Okwu and Quantum unnecessary delay and expense.

164.

Okwu and Quantum are entitled to recover all costs of the prosecution of this action, including reasonable attorney's fees, pursuant to Georgia Code Section 13-6-11.

**EIGHTH COUNT
(Okwu's Claim for Nominal Damages)**

165.

The allegations in ¶¶ [20](#) – [160](#) are incorporated herein.

166.

“The law infers some damage from the invasion of a property right and if no evidence is given of any particular amount of loss, declares the right by

awarding what it terms nominal damages.”⁵⁰

167.

With respect to Okwu’s claims for wrongful (attempted) foreclosure if he is able only to prove a less than substantial measure of actual damages, or his damages are not susceptible of reasonable certainty of proof as to their extent, Okwu is entitled to recover nominal damages in vindication of his having brought this action “upon a good cause.”

168.

Okwu is entitled to an award of nominal damages according to the circumstances of this case.

VI. CLASS ALLEGATIONS

169.

The allegations in ¶¶ [20](#) – [160](#) are incorporated herein.

*Georgia's State Procedural Prohibition On Class
Actions Pursuant to the Usury Statute and the
FBPA Is Pre-empted by Fed. R. Civ. P. 23*

⁵⁰ See *Dierkes v. Crawford Orthodontic Care, P.C.*, 284 Ga. App. 96, 100 (2007) (quoting *Callahan v. Panfel*, 195 Ga. App. 891, 893 (1990)).

170.

The FBPA, at OCGA § 10-1-399(a), states:

Any person who suffers injury or damages as a result of a violation of Chapter 5B of this title, as a result of consumer acts or practices in violation of this part, as a result of office supply transactions in violation of this part or whose business or property has been injured or damaged as a result of such violations *may bring an action individually, but not in a representative capacity*, against the person or persons engaged in such violations under the rules of civil procedure to seek equitable injunctive relief and to recover his or her general and exemplary damages sustained as a consequence thereof in any court having jurisdiction over the defendant[.] [Emphasis supplied.]

.

171.

Georgia's usury statute states in relevant part:

A claim of violation on any loan secured by an interest in real estate may be asserted in an individual action only and may not be the subject of a class action under Code Section 9-11-23 or any other provisions of law.⁵¹

172.

However, as the United States Supreme Court held in *Shady Grove Orthopedic Assocs., P.A. v. Allstate Ins. Co.*, 559 U.S. 393 (2010), Rule 23 of the Federal Rules of Civil Procedure gives the plaintiffs discretion to bring this action as a class action in federal courts:

⁵¹ O.C.G.A. § 7-4-21(a).

[Fed. R. Civ. P. 23] says that if the prescribed preconditions are satisfied "[a] class action may be maintained" (emphasis added)--not "a class action may be permitted." Courts do not maintain actions; litigants do. The discretion suggested by Rule 23's "may" is discretion residing in the plaintiff: He may bring his claim in a class action if he wishes. And like the rest of the Federal Rules of Civil Procedure, Rule 23 automatically applies "in all civil actions and proceedings in the United States district courts," Fed. Rule Civ. Proc. 1.⁵²

173.

In *Shady Grove* the Supreme Court confirmed that Rule 23 is a procedural and not a substantive rule:

In sum, it is not the substantive or procedural nature or purpose of the affected state law that matters, but the substantive or procedural nature of the Federal Rule. We have held since *Sibbach* [v. *Wilson & Co.*, 312 U.S. 1, 14 (1941)], and reaffirmed repeatedly, that the validity of a Federal Rule depends entirely upon whether it regulates procedure.⁵³

174.

Not long ago, the Eleventh Circuit applied *Shady Grove* to an action brought under an Alabama statute that is analogous to Georgia's FBPA statute in *Lisk v. Lumber One Wood Preserving, LLC*, 792 F.3d 1331, 13__ (11th

⁵² *Shady Grove*, 559 U.S. at 400.

⁵³ *Id.* at 410.

Cir. 2015):

This appeal presents two issues. The first arises from a conflict between Federal Rule of Civil Procedure 23, which authorizes class actions including for consumer claims of this kind, and the ADTPA, which creates a private right of action but forbids private class actions. We hold that Rule 23 controls.⁵⁴

175.

Any prohibition under Georgia's FBPA to the application of Fed. R. Civ. P. 23 has been abolished, and this matter may therefore proceed as a class action in federal court.

176.

"The term 'usury' means reserving and taking or contracting to reserve and take, either directly or indirectly, a greater sum for the use of money than the lawful interest."⁵⁵

177.

The Georgia Code defines usurious interest as follows:

Any person, company, or corporation who shall reserve, charge, or take for any loan or advance of money, or forbearance to enforce the

⁵⁴ The Alabama Deceptive Trade Practices Act ("ADTPA") is Alabama's equivalent law to Georgia's Fair Business Practices Act.

⁵⁵ O.C.G.A. § 7-4-1.

collection of any sum of money, any rate of interest greater than 5 percent per month, either directly or indirectly, by way of commission for advances, discount, exchange, or the purchase of salary or wages; by notarial or other fees; or by any contract, contrivance, or device whatsoever shall be guilty of a misdemeanor[.]⁵⁶

178.

"Any person, company, or corporation violating the provisions of Code Section 7-4-2 shall forfeit the entire interest so charged or taken or contracted to be reserved, charged, or taken."⁵⁷

179.

The named defendants also meet the definition of "loan broker" under Georgia law:

"Loan broker" means any person, firm, or corporation who does not operate or maintain an office that is open regularly to the public for the transaction of business and where potential borrowers actually visit to transact, discuss, or negotiate potential loans and:

- (A) For or in expectation of consideration, arranges or attempts to arrange or offers to fund a loan of money, a credit card, or a line of credit;

⁵⁶ O.C.G.A. § 7-4-18.

⁵⁷ O.C.G.A. § 7-4-10(a).

- (B) For or in expectation of consideration, assists or advises a borrower in obtaining or attempting to obtain a loan of money, a credit card, a line of credit, or related guarantee, enhancement, or collateral of any kind or nature;
- (C) Acts for or on behalf of a loan broker for the purpose of soliciting borrowers; or
- (D) Holds himself out as a loan broker.

"Loan broker" does not include any regulated lender or any third party soliciting borrowers for a regulated lender pursuant to a written contract with the regulated lender or any mortgage banker or mortgage broker approved by a regulated lender or the federal Department of Housing and Urban Development, the Veterans' Administration, the Federal National Mortgage Corporation, or the Federal Home Loan Mortgage Corporation.⁵⁸

180.

A violation of the "Loan Broker" Act is also a violation of Georgia's Fair Business Practices Act ("FBPA"), O.C.G.A. §§ 10-1-390 et. seq.

181.

In making the Loans described at ¶¶ [66](#)–[81](#) to be repaid at a future date, with interest, and calculated at an unlawfully high rate, the named defendants have, collectively or individually, systematically and repeatedly violated, or

⁵⁸ O.C.G.A. § 7-7-1.

aided and abetted violations of Georgia law.⁵⁹

182.

Quantum-Mac seeks to represent a class of claimants against the named defendants as follows:

All individuals and/or entities who are citizens and residents of Georgia who received monetary loans, advances, or similar funding from any one or more of the named defendants that were to be repaid at a later date along with interest and loan fees at rates of interest found to be usurious under Georgia law.

183.

The Loans constitute illegal transactions in violation of Georgia Code Section 7-4-18.

184.

The Loans also constitute illegal transactions in violation of Georgia Code Section 10-1-399.

185.

On information and belief, Quantum-Mac and the Plaintiff Class Members were solicited by the named defendants through a standard marketing scheme through which the named defendants used their standard "rent-a-bank"

⁵⁹ “The usury stalks like a pestilence through every form of contract, and poisons all it touches.” *Tribble v. Anderson*, 63 Ga. 31, 56 (1879).

scheme to make usurious loans. Such marketing and services are typical of those experienced by Quantum-Mac and the proposed Plaintiff Class Members.⁶⁰

186.

The named defendants commonly targeted Georgia residents for usurious loans.

187.

The interest collected by the named defendants from the proposed Plaintiff Class Members are uniformly assessed to every customer of the named defendants and can readily be determined from a ministerial review of the records of the named defendants.

188.

On information and belief, the loan agreements entered into between the named defendants and Plaintiff are standard agreements which are substantially the same as the agreements the named defendants entered into with the Plaintiff Class Members.

⁶⁰ These factual contentions “will likely have evidentiary support after a reasonable opportunity for further investigation or discovery.” Fed. R. Civ. P. 11(b)(3).

189.

The names and addresses of the Plaintiff Class Members can readily be determined from a ministerial review of the records of the named defendants and through the account statements of the named defendants pertaining to collection of principal and usurious interest.

190.

The membership of the classes is numerous, and joinder of individual plaintiffs is impractical. On information and belief, the named defendants have issued loans with usurious interest to hundreds of residents of the State of Georgia within one year from the filing of this Complaint.

191.

There are questions of law and fact common to all members of the Plaintiff class, and these common questions of law and fact predominate over any individual issues. The principal questions pertinent to the classes as a whole include by way of example:

- (a) Whether the named defendants' "rent-a-bank" scheme has been set up for the purpose of fraudulently

defeating the borrowers' states' predatory-lending protections;

- (b) Whether the named defendants are "de-facto" lenders;
- (c) Whether the named defendants are charging usurious interest on the loans that they have made to Plaintiff Quantum-Mac, and the Plaintiff Class;
- (d) Whether the named defendants' standard means of doing business in making the usurious loans is illegal under Georgia law;
- (e) Whether the named defendants are "loan brokers" under Georgia law;
- (f) Whether the named defendants violated Georgia law by performing prohibited acts under O.C.G.A. § 7-7-2;
- (g) Whether the named defendants committed violations of Georgia's FBPA;
- (h) The liability of the named defendants for violations of Georgia's usury law;

- (i) The liability of the named defendants for violations of the FBPA;
- (j) The appropriate measure of damages and the appropriate remedies;
- (k) Defenses raised by the named defendants;
- (l) The availability of actual damages for the named defendants' intentional violation of the FBPA pursuant to O.C.G.A. § 10-1-399;
- (m) The availability of trebled actual damages for the named defendants' intentional violation of the FBPA pursuant to O.C.G.A. § 10-1-399; and,
- (n) The availability of reasonable attorneys' fees and costs of litigation for the named defendants' intentional violation of the FBPA pursuant to O.C.G.A. § 10-1-399.

192.

Quantum-Mac's claims are typical of the claims of the Plaintiff Class Members, which all arise from the same operative facts and are based on the

same legal theory, and Plaintiff's claims will thus adequately represent those of the Plaintiff Class Members.

193.

Quantum-Mac will fairly and adequately protect the interests of the Plaintiff Class Members. Quantum-Mac has retained counsel with experience in class action litigation, and they are not aware of any interest that might cause them not to vigorously pursue this case.

194.

A class action is superior to other available methods for the fair and efficient adjudication of this controversy since joinder is impracticable. The expense and burden of individual litigation make it virtually impossible for the members of the class to proceed individually, and it is therefore most efficient to resolve all claims based on the named defendants' conduct in one forum.

195.

Quantum-Mac is aware of no difficulties that will be encountered in the management of this litigation that would render the action unmanageable.

196.

This is not a class action that will require an analysis of the named defendants' conduct as to individual class members.

197.

Prosecution of separate actions by individual Plaintiff Class Members would create adjudications that would be dispositive of the interests of the other members not parties to the adjudication. Plaintiff is not aware of any other pending actions against these defendants for these same causes of action.

198.

Without a class action mechanism, members of the Plaintiff Class would be substantially impaired or impeded in their ability to protect their interests. The value of claims of the individual class members would be in an amount that makes prosecution outside of the class action uneconomical.

199.

A final judgment on the merits of the named Plaintiff's claims would be fully dispositive of the claims and interests of those similarly situated who are

not specifically named as a plaintiff in this action.

NOTICE OF INTENT TO RECORD LIS PENDENS

200.

The plaintiffs hereby notify all concerned that they are undertaking to record a Notice of Lis Pendens regarding the Home in the Lis Pendens Docket of the real estate records of the Clerk of COBB COUNTY Superior Court.

VII. DEMAND FOR JUDGMENT

WHEREFORE, the plaintiffs request that a judgment issue granting the relief sought in this Complaint, including:

- (a) On the First Count for Declaratory Judgment: a determination and declaration that title to the Home reverted back to Okwu by operation of law, and such other and further necessary or proper relief based on this Court's declaration of rights;
- (b) On the Second Count for Declaratory Judgment: a determination and declaration that defendant World Business, defendant WBL, or both are individually or collectively the true lender or lenders in connection with the Quantum-Mac Loan, and that, accordingly, they

- may not avoid and defeat the usury protections afforded by Georgia law, and such other and further necessary or proper relief based on this Court's declaration of rights;
- (c) On the Third Count for Conventional Quiet Title: a decree in quia timet directing that the Security Deed be rescinded and canceled of record, that the Clerk of Cobb County Superior Court be directed to record and appropriately cross-index the order and decree, and for an award of costs of litigation “in the discretion of the [C]ourt”;
 - (d) On the Fourth Count for Civil Usury: equitable rescission of Quantum-Mac’s contractual obligation to pay any interest accruing on the Quantum-Mac Loan principal;
 - (e) On the Fifth Count for Wrongful Foreclosure: alternatively (a) cancellation of the foreclosure sale and recovery of damages not associated with the value of the property, or (b) damages for the loss of the equity in the unlawfully-foreclosed property;
 - (f) On the Sixth Count for Wrongful Attempted Foreclosure: an award of damages calculated according to law;
 - (g) On the Seventh Count for Expenses of Litigation: an award of

- compensatory damages for the expenses of litigation, including reasonable and necessary attorney's fees, according to proof;:
- (h) On the Eighth Count for Nominal Damages: an award of nominal damages according to the circumstances of this case;
 - (i) For all costs of the prosecution of this matter;
 - (j) **For TRIAL BY JURY on all issues so triable;** and,
 - (k) For such other and further relief as the Court may deem equitable and just in the premises.

REGARDING CLASS CERTIFICATION

- (a) That Plaintiff Quantum-Mac be designated class representatives for the Plaintiff Class as defined herein;
- (b) That Plaintiff Quantum-Mac's counsel be designated class counsel for Plaintiff Class as defined herein;
- (c) That the Plaintiff Class be certified for all individuals and/or entities who are citizens and residents of Georgia who received monetary loans, advances, or similar funding from any one or more of the named defendants that were to be repaid at a later date along with interest and loan fees at rates of interest found to be usurious under

Georgia law;

- (d) That the Court hold a hearing as soon as practicable for the determination of class certification for the Plaintiff in accordance with Fed. R. Civ. P. 23;
- (e) For violations of Georgia's usury law, that Plaintiff and the Plaintiff class receive a setoff pursuant to O.C.G.A. § 7-4-10(b) for the usurious interest charged and collected by the named defendants;
- (f) For violations of the FBPA, that Plaintiff Quantum-Mac and the members of Plaintiff Class be awarded their actual damages, trebled damages, exemplary damages, and reasonable attorney's fees and costs;
- (g) That the named defendants be required to pay all monies herein referred to in subparagraphs ([g](#)) and ([h](#)) into a common fund for the benefit of the Plaintiff Class, less expenses and attorneys' fees;
- (h) That the Court conduct a "fairness hearing," after due and proper notice to all members of the Plaintiff Class, and make such award of attorneys' fees and expenses as the Court deems appropriate from the common funds (as above referred to) and/or from the named

defendants;

- (i) That Plaintiff Quantum-Mac, individually and as class representative for the Plaintiff Class, have a trial by jury;
- (j) That Plaintiff Quantum-Mac and the members of Plaintiff Class be awarded interest on any award granted, with such interest accruing from the time of the filing of this Complaint until the time final Judgment in this case is paid;
- (k) That Plaintiff Quantum-Mac be awarded an incentive award from the named defendants for the benefit Plaintiff Quantum-Mac has conferred on the Plaintiff Class members through its commitment of time and expense in conducting this lawsuit; and
- (l) That Plaintiff Quantum-Mac, individually and as class representative of all others similarly situated as the Plaintiff Class, have such other relief as this Court deems proper.

<<<SIGNATURE LINES CONTINUED ON NEXT PAGE>>>

Respectfully submitted this 2nd day of June, 2020.

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STATE OF GEORGIA

COUNTY OF COBB

VERIFICATION

The undersigned **Imo S. Okwu**, individually and as President of Quantum-Mac International, Inc., a Georgia corporation, am over the age of 18, *sui juris* and otherwise competent to testify in court to the facts set forth in the foregoing Complaint.

I hereby declare under penalty of perjury that each fact or opinion set forth in the foregoing Complaint is true and accurate — unless it is qualified as being “on information and belief,” in which case the fact or opinion is true to the best of my or my attorneys' knowledge, information, and belief formed after reasonable inquiry.

I understand that any intentionally false statement that is made in the Complaint could represent an act of fraud, perjury, and/or false swearing, for which I could be prosecuted civilly or criminally.

This 2nd day of June, 2020.

QUANTUM-MAC
INTERNATIONAL, INC.

IMO S. OKWU

By: *imookwu*
imookwu (Jun 2, 2020 11:47 EDT)
Imo S. Okwu

imookwu
imookwu (Jun 2, 2020 11:47 EDT)
Individually

Its: President






Verification_FINAL

Final Audit Report

2020-06-02

Created:	2020-06-02
By:	Clif Kitchens (cak@alembik.com)
Status:	Signed
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-  Document created by Clif Kitchens (cak@alembik.com)
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BUSINESS PROMISSORY NOTE AND SECURITY AGREEMENT

BORROWER: Quantum-Mac International, Inc.

PRINCIPAL (including processing fees): \$50,000.00

DATE: 9/5/2018

- PROMISE TO PAY:** Quantum-Mac International, Inc. ("Borrower"), a(n) Georgia Corporation, with its principal place of business located at 4496 Westview Drive, Powder Springs, Georgia, 30127, does hereby promise to pay to the order of BoFi Federal Bank, its successors and/or assigns ("Lender") at its offices located at 9205 West Russell Road, Suite 400, Las Vegas, NV 89148, or at such other location or in such other manner as designated by Lender, the sum of FIFTY THOUSAND DOLLARS AND ZERO CENTS (\$50,000.00) ("Principal") plus interest at the daily interest rate set forth below in Section 2 in accordance with the payment schedule set forth below in Section 3. This Business Promissory Note and Security Agreement ("Loan Agreement") is approved, and the proceeds are disbursed, by Lender in Nevada. The business loan represented by this Loan Agreement is a higher cost loan than business loans which may be available through other sources. Before signing this Loan Agreement, Borrower should fully consider all costs and fees associated with this business loan.
- INTEREST RATE:** The unpaid Principal shall bear interest at the rate of 0.281369863014% per day until paid in full.
- PAYMENT SCHEDULE/APPLICATION OF PAYMENTS:** Borrower shall repay the Principal and interest commencing on 9/11/2018 and on each Business Day thereafter until 12/11/2019 with each daily payment totaling \$283.67 followed by a final payment of \$279.26 on 12/12/2019, when any remaining outstanding Principal, interest and other unpaid charges shall be due and payable in full. "Business Day" means any Monday through Friday, except Federal Reserve holidays. The period commencing on 9/11/2018 and ending on 12/12/2019 is referred to as the "Repayment Period."

All payments shall be made by automatic ACH debit from the "Designated Checking Account" set forth in the Business Loan Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits) given by Borrower to Lender or pursuant to an alternative payment method prescribed by Lender, and Borrower shall maintain balances in the Designated Checking Account sufficient to make each daily payment due under this Loan Agreement.

Payments shall be applied on the date received first to late charges and other charges due under this Loan Agreement, then to unpaid accrued interest, and then to Principal.
- VOLUNTARY PREPAYMENT AND PREPAYMENT PREMIUM:** Borrower may prepay the unpaid Principal in full at any time, but may not make partial prepayments (except as permitted by applicable law). Any such prepayment of the unpaid Principal shall be accompanied by a prepayment premium equal to the greater of (a) fifteen percent (15%) of the amount of the unpaid Principal as of the date of such prepayment and (b) the aggregate amount required to be repaid by Borrower to Lender during the Repayment Period reduced by the sum of (i) the aggregate amount of any payments made by Borrower to Lender pursuant to Section 3 above before such prepayment and (ii) the amount of the unpaid Principal as of the date of such prepayment. This prepayment premium is in addition to any and all interest calculated and accrued on the unpaid Principal as of the date of such prepayment in accordance with Section 2 above together with all other amounts then due and payable under this Loan Agreement. No prepayment is permitted unless all outstanding charges are paid in full as of the date of prepayment. If Borrower desires to prepay, Borrower shall send a written request to WBLPayoff@wbl.com. In addition, Borrower may contact Lender's Servicing Agent at 101 Hudson St., 33rd Floor, Jersey City, NJ 07302 or at 1-800-432-9359 and Lender's Servicing Agent shall provide Borrower with the amount of the unpaid Principal, prepayment premium, and any other amounts due under the terms of the Loan Agreement as of a date designated by Borrower. For the avoidance of doubt, as permitted under applicable law, if the Obligations (as defined below) have been accelerated on the happening of an Event of Default (as defined below), payment of Principal and interest shall be deemed a prepayment for purposes of this Section 4 and shall be accompanied by a prepayment premium.
- RETURNED PAYMENT CHARGE:** Borrower will pay a charge of thirty-five dollars (\$35.00) ("NSF Charge") in connection with any payment by check or electronic transfer that is returned unpaid because of an insufficient balance in the Designated Checking Account or otherwise.
- SECURITY INTEREST:** Borrower grants to Lender a security interest in and to any and all property as described below in this Section 6 to secure payment of all debts, obligations and liabilities of Borrower to Lender evidenced by this Loan Agreement or any other financing agreement with Lender with respect to which the Lender's servicing agent is the same as the Servicing Agent hereunder (including, but not limited to, Principal, interest and collection costs incurred in connection

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with this Loan Agreement and/or any other documents or instruments now or hereafter executed in connection with this Loan Agreement or any other financing arrangement with Lender with respect to which the Lender's servicing agent is the same as the Servicing Agent hereunder, the "Obligations"). This is a continuing security interest and will continue in effect as long as any Obligations remain outstanding. The collateral includes the property purchased with the proceeds of this Loan Agreement described on Schedule A attached to and made a part of this Loan Agreement ("Purchase Money Collateral"), the vehicles and other personal property described on Schedule B attached to and made a part of this Loan Agreement ("Specific Collateral") and all other personal property now owned or hereafter acquired by Borrower (which, along with Purchase Money Collateral and Specific Collateral, is collectively referred to as "Collateral"), including, but not limited to, all goods (except consumer goods), farm products, inventory, equipment, furniture, money, instruments, accounts, accounts receivable, contract rights, documents, chattel paper, general intangibles, including, but not limited to, all products and proceeds of Collateral and all additions and accessions to, replacements of, insurance proceeds of, and documents covering Collateral, all property received wholly or partly in trade or exchange for Collateral, all leases of Collateral and all rents, revenues, issues, profits and proceeds arising from the sale, lease encumbrance, collection, or any other temporary or permanent disposition, of the Collateral or any interest therein. Borrower agrees that Lender may file any financing statement, lien entry form or other document Lender requires in order to perfect, amend or continue Lender's security interest in the Collateral and Borrower agrees to cooperate with Lender as may be necessary to accomplish said filing and to do whatever Lender deems necessary to protect Lender's security interest in the Collateral. Borrower shall ensure that Lender is named as the only lien holder on the titles to the motor vehicles listed on Schedule B to this Loan Agreement as of the date of this Loan Agreement or the nearest subsequent date as permitted under applicable law, rule or regulation).

Borrower shall maintain the Collateral in good condition and repair and not permit its value to be impaired; keep the Collateral free from all liens, encumbrances and security interests (other than those created or expressly permitted by this Loan Agreement); defend the Collateral against all claims and legal proceedings by persons other than Lender; pay and discharge when due all taxes, license fees, levies and other charges upon the Collateral; not sell, lease or otherwise dispose of the Collateral or permit it to become a fixture or an accession to other goods, except as specifically authorized by Lender in writing; and not permit the Collateral to be used in violation of any applicable law, rule, regulation or policy of insurance.

Borrower shall pay all expenses and, upon request, take any action reasonably deemed advisable by Lender to preserve the Collateral or to establish, determine priority of, perfect, continue perfect, terminate and/or enforce Lender's interest in the Collateral or rights under this Loan Agreement and, further, Borrower authorizes Lender, with full power of substitution, to execute in Borrower's name any documents necessary to perfect, amend or to continue Lender's interest in the Collateral or rights under this Loan Agreement or to demand termination of filings of other secured parties. Lender has no duty to protect, insure or realize upon the Collateral. Loss of or damage to the Collateral shall not release Borrower from any of the Obligations.

7. FOR BORROWERS OR COLLATERAL IN LOUISIANA ONLY:

- (a) Foreclosure. If Borrower is domiciled in, or Collateral is located in, Louisiana, on the happening of an Event of Default, Lender shall have the right to commence appropriate foreclosure proceedings against the Collateral and against Borrower.
- (b) Seizure and Sale of Collateral. If Lender elects to commence appropriate Louisiana foreclosure proceedings under the Loan Agreement, Lender may cause the Collateral, or any part or parts thereof, to be immediately seized and sold, whether in term of court or in vacation, under ordinary or executory process, in accordance with applicable Louisiana law, to the highest bidder for cash, with or without appraisal, and without the necessity of making additional demand upon or notifying Borrower or placing Borrower in default, all of which are expressly waived.
- (c) Executory Process. For purposes of foreclosure under Louisiana executory process procedures, Borrower confesses judgment and acknowledges to be indebted to Lender, up to the full amount of the Obligations, in Principal, interest, prepayment charges, NSF Charges, and any other unpaid costs and charges authorized by the Loan Agreement, reasonable attorneys' fees and all costs of collection. Borrower further confesses judgment and acknowledges to be indebted unto and in favor of Lender in the amount of any additional advances that Lender may make on Borrower's behalf pursuant to the Loan Agreement, together with interest thereon. To the extent permitted under applicable Louisiana law, Borrower additionally waives the following:
 - (i) the benefit of appraisal as provided in Articles 2332, 2336, 2723, and 2724 of the Louisiana Code of Civil Procedure, and all other laws with regard to appraisal upon judicial sale;
 - (ii) the demand and three (3) days' delay as provided under Articles 2639 and 2721 of the Louisiana Code of Civil Procedure;

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- (iii) the notice of seizure as provided under Articles 2293 and 2721 of the Louisiana Code of Civil Procedure;
 - (iv) the three (3) days' delay provided under Articles 2331 and 2722 of the Louisiana Code of Civil Procedure; and
 - (v) all other benefits provided under Articles 2331, 2722 and 2723 of the Louisiana Code of Civil Procedure and all other Articles not specifically mentioned above.
- (d) Keeper. Should any or all of the Collateral be seized as an incident to an action for the recognition or enforcement of this Loan Agreement, by executory process, sequestration, attachment, writ of *fieri facias* or otherwise, Borrower hereby agrees that the court issuing any such order shall, if requested by Lender, appoint Lender, or any agent designated by Lender or any person or entity named by Lender at the time such seizure is requested, or any time thereafter, as "Keeper" of the Collateral as provided under La. R.S. 9:5136, *et seq.* Such a Keeper shall be entitled to reasonable compensation. Borrower agrees to pay the reasonable fees of such Keeper, which compensation to the Keeper shall also be secured by this Loan Agreement.

8. **REPRESENTATIONS:** As of the date hereof, the Borrower hereby represents to the Lender that:

- (a) Borrower is the owner of or is acquiring the Purchase Money Collateral free of all liens, encumbrances and security interests (except Lender's security interest), and is the owner of all other Collateral free of all liens, encumbrances and security interests, except Lender's security interest and any security interests listed on Schedule C attached and made a part of this Loan Agreement;
- (b) the proceeds of this Loan Agreement will be used for business purposes only, and not for personal, consumer, family or household purposes or to purchase personal, consumer, family or household goods. Borrower understands Lender is relying on the accuracy of this representation in disbursing the loan proceeds and that Borrower's agreement not to use the proceeds of this Loan Agreement for personal, consumer, family or household purposes or to purchase personal, consumer, family or household goods means that certain important duties imposed upon entities making loans for consumer/personal purposes, and certain important rights conferred upon consumers, pursuant to federal or state law will not apply to this Loan Agreement, or any other document or instrument given to Lender in connection with or related to this Loan Agreement. Borrower also understands that Lender will be unable to confirm whether the proceeds of this Loan Agreement will be used for business purposes only. Borrower acknowledges and agrees that a breach by Borrower of the provisions of this subsection 8(b) will not affect Lender's right to
 - (i) enforce Borrower's promise to pay for all amounts owed under this Loan Agreement, regardless of the purpose for which the proceeds of this Loan Agreement are in fact obtained or
 - (ii) use any remedy legally available to Lender, even if that remedy would not have been available had the proceeds of this Loan Agreement been used for consumer purposes;
- (c) the proceeds of this Loan Agreement will not, directly or indirectly, be used for any purposes which would violate any applicable law, rule or regulation;
- (d) the Collateral will be kept at Borrower's address set forth above in Section 1 or as indicated on Schedule D attached to and made a part of this Loan Agreement;
- (e) Borrower's name in Section 1 above is its exact name on its organizing and/or registered documents, if any, and Section 1 above accurately identifies Borrower's jurisdiction of organization and principal place of business. Borrower shall immediately advise Lender in writing of any change in Borrower's name or address as set forth above in Section 1;
- (f) Borrower is duly organized, validly existing, in good standing under the law of the jurisdiction in which it is organized, is in compliance with all applicable laws, rules and regulations, and has all licenses and authorizations necessary to carry on its business as now being conducted; Borrower has the full power and authority to execute, deliver and perform all transactions contemplated by this Loan Agreement and the performance of and compliance with the terms of this Loan Agreement will not violate the Borrower's organizational documents or constitute a default of any contract, agreement or other instrument to which Borrower is a party;
- (g) Borrower has duly authorized the execution, delivery and performance of this Loan Agreement and has duly executed and delivered this Loan Agreement, and this Loan Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms;

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- (h) there is no action, suit, proceeding or investigation pending or, to Borrower's knowledge, threatened against or affecting it or any of its assets before or by any court or other governmental authority which, if determined adversely to it, would have a material adverse effect on its financial condition, business or prospects, or the value of the Collateral (any of the foregoing, a "Litigation Event");
- (i) except to the extent Borrower has advised Lender in writing, Borrower has not been notified by any of its lenders that it is in default under the terms of any of its credit agreements, nor has Borrower done, caused to be done, or failed to do any act or omission that would result in a default under any credit agreement; and
- (j) no third party source of financing for Borrower's customers has discontinued, or threatened to discontinue providing financing to Borrower's customers.
9. **COVENANTS:** Borrower hereby agrees that as long as any Obligations remain outstanding (whether Principal, interest or otherwise):
- (a) Borrower shall promptly provide any financial information on request or permit an examination of its books and records to permit Lender to confirm Borrower's ability to pay its Obligations and all other financial obligations and Borrower shall maintain proper books and records in conformity with applicable law, rules and regulations;
- (b) Borrower shall file all federal, state and local tax returns, and pay all related taxes when due;
- (c) Borrower shall renew and maintain in full force and effect its legal existence and good standing under the laws of the jurisdiction of its organization;
- (d) Borrower shall maintain insurance in at least such amounts and against at least such risks as are customary in the same general area in which Borrower conducts its business by entities engaged in similar businesses;
- (e) Borrower shall promptly notify Lender in writing of any Litigation Event, Event of Default or any other event which could reasonably be anticipated to materially and adversely affect the Borrower's ability to repay its Obligations or materially affects the value of the Collateral; and
- (f) Borrower shall not (i) merge or consolidate with another entity, which merger or consolidation results in less than fifty percent (50%) of the outstanding voting securities of the resulting entity being owned by the then existing holders of securities of the Borrower or (ii) transfer, assign, license, sell, lease or otherwise dispose of all or substantially all of its assets to a person that is not a wholly-owned subsidiary of the Borrower; provided, that the Borrower shall cause any such subsidiary to comply with the provisions of this clause (f).
10. **DEFAULT:** On the happening of any of the following events (each an "Event of Default"):
- (a) failure by Borrower to pay any payment required by this Loan Agreement when due;
- (b) failure by Borrower to observe, perform, keep or abide by any term, covenant or condition contained in this Loan Agreement or any other document or instrument given to Lender in connection with or related to this Loan Agreement, including any real estate mortgage, security agreement or other agreement or document now or hereafter evidencing or creating any security for the payment of this Loan Agreement;
- (c) the filing of a bankruptcy proceeding, assignment for the benefit of creditors, issuance of a judgment execution, garnishment or levy against, or the appointment of a representative of any kind for the commencement of any proceeding for relief from indebtedness by or against Borrower, or the Borrower shall not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;
- (d) the happening of any event, which, in the reasonable judgment of Lender, adversely affects Borrower's ability or the ability of any guarantor of Borrower's Obligations under this Loan Agreement ("Guarantor") to repay Borrower's Obligations, or materially affects the value of the Collateral;
- (e) any written representation, statement or warranty made to Lender by Borrower or any Guarantor is untrue when made;
- (f) the occurrence of
- (i) a default under any guaranty of Borrower's Obligations ("Guaranty"), or any other document or instrument given to Lender in connection with or related to this Loan Agreement, or
- (ii) a default or an event of default under any other loan agreement or financing arrangement that Borrower may have with Lender or any other lender or financing source;
- (g) any Guaranty is revoked or becomes unenforceable for any reason;

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(h) Lender, upon examination of Borrower's financial information during the term of this Loan Agreement, becomes insecure in Borrower's ability to pay the Obligations,

then (A) in connection with an Event of Default pursuant to clause (c) above, the Obligations under this Loan Agreement or other agreements shall immediately become due and payable and Lender shall have the right to proceed to collect such Obligations under applicable law and enforce its rights under any Guaranty, and (B) in connection with any Event of Default other than pursuant to clause (c) above, Lender may, at its option declare the entire unpaid balance of all Obligations under this Loan Agreement or other agreements immediately due and payable, and shall have the right to proceed to collect such Obligations under applicable law and enforce its rights under any Guaranty. In addition, Lender may, in connection with the events described in clause (A) and (B) above, proceed against the Collateral and any other collateral securing any obligation to Lender as if said collateral secured the Obligations, as permitted under the applicable Uniform Commercial Code or any other applicable law. As permitted under the Uniform Commercial Code, Lender may take possession of Collateral without notice or hearing, which Borrower waives, and upon demand, Borrower shall assemble the Collateral and make it available to Lender at any convenient place designated by Lender. Lender's receipt of any payment after the occurrence of an Event of Default, whether or not the Obligations have been accelerated, shall not constitute a waiver of the default or of Lender's rights or remedies upon such default, including Lender's right to accelerate the unpaid balance of the Obligations and pursue collection thereof. Election by Lender to pursue or waive any remedy shall not exclude pursuit of any other remedy.

11. **INSPECTION OF COLLATERAL AND PLACE OF BUSINESS:** Lender and Lender's representatives and agents shall have the right at any reasonable time or times to inspect the Collateral wherever located and the interior and exterior of any Borrower place of business, and Borrower shall assist Lender and its representatives and agents in making any such inspection. During an inspection of any Borrower place of business, Lender or Lender's representatives and agents may examine, among other things, whether Borrower (i) has a place of business that is separate from any personal residence, (ii) is open for business, (iii) has sufficient inventory and/or staff to conduct Borrower's business and (iv) has one or more credit card terminals or point of sale systems if Borrower processes credit card transactions. When performing an inspection, Lender or Lender's representatives and agents may photograph the interior and exterior of any Borrower place of business, including any signage. Any photograph will become and remain the sole property of Lender and will be shared with Lender's employees, representatives and agents. Borrower grants Lender an irrevocable and permanent right to display and share any photograph in all forms, including composite and modified representations, for all purposes, with Lender's employees, representatives and agents. Borrower agrees to reimburse Lender for the cost of the inspections described in this Section 11.
12. **EVALUATION OF CREDIT:** Borrower authorizes Lender to obtain business and personal credit bureau reports in Borrower's name, at any time and from time to time for purposes of deciding whether to approve the requested business loan or for any update, renewal, extension of credit or other lawful purpose. Upon Borrower's request, Lender will advise Borrower if Lender obtained a credit report and Lender will give Borrower the credit bureau's name and address. Borrower agrees to submit current financial information, a new credit application, or both, in Borrower's name at any time promptly upon Lender's request.
13. **ATTORNEYS' FEES, COLLECTION COSTS AND POST-JUDGMENT RATE OF INTEREST:** In the event Lender retains counsel with respect to enforcement of its rights under this Loan Agreement or any other document or instrument given to Lender, Borrower agrees to pay all expenses of Lender in enforcing its rights to collect the Obligations or in taking possession, holding, preparing for disposition, and disposing of the Collateral, including Lender's reasonable attorneys' fees (whether or not an action is commenced and whether or not in the court of original jurisdiction, appellate court, bankruptcy court or otherwise) and all costs of collection of any judgment and any costs of appeal. In the event this Loan Agreement is brought to a judgment, interest shall accrue at the interest rate set forth in Section 2 above until the judgment is satisfied, except as prohibited by applicable law.
14. **SALE OF LOAN AGREEMENT:** This Loan Agreement, or an interest in this Loan Agreement, together with the rights to the Collateral, may be sold, assigned, transferred or conveyed by Lender one or more times.
15. **INDEMNIFICATION:** Except for Lender's willful misconduct, Borrower will indemnify and save Lender harmless from all loss, costs, damage, liability or expenses (including, without limitation, court costs and reasonable attorneys' fees) that Lender may sustain or incur by reason of defending or protecting Lender's security interest or the priority thereof or enforcing its rights to collect the Obligations, or in the prosecution or defense of any action or proceeding concerning any matter growing out of or in connection with this Loan Agreement and/or any other documents or instruments now or hereafter executed in connection with this Loan Agreement and/or the Obligations and/or the Collateral. This indemnity shall survive the repayment of the Obligations and the termination of this Loan Agreement.

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16. MISCELLANEOUS:

- (a) Delay or failure of Lender to exercise any of its rights under this Loan Agreement shall not be deemed a waiver thereof. No waiver of any condition or requirement shall operate as a waiver of any other or subsequent condition or requirement.
- (b) This Loan Agreement may not be modified orally, and may be modified only upon written agreement signed by Lender and Borrower.
- (c) Lender is an FDIC insured, federal savings association and this Loan Agreement is approved, and the proceeds are disbursed, by Lender in Nevada. CONSEQUENTLY, THIS LOAN AGREEMENT WILL BE GOVERNED BY FEDERAL LAW APPLICABLE TO AN FDIC INSURED INSTITUTION AND TO THE EXTENT NOT PREEMPTED BY FEDERAL LAW, THE LAWS OF THE STATE OF NEVADA WITHOUT REGARD TO CONFLICT OF LAW RULES. The legality, enforceability and interpretation of this Agreement and the amounts contracted for, charged and reserved under this Loan Agreement will be governed by such laws.
- (d) Borrower and Lender agree that any action or proceeding to enforce any rights or obligations arising out of this Loan Agreement shall be commenced in the state (or commonwealth, as the case may be) of Borrower's address set forth in Section 1 above ("Borrower's State") and Borrower waives personal service of process and agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served and confer personal jurisdiction if served by registered or certified mail to Borrower at the address specified by Borrower above in Section 1, or as otherwise provided by the laws of the Borrower's State or the United States of America. Borrower and Lender agree that venue is proper in such courts and each party hereto waives to the full extent permitted by applicable law, any defense of an inconvenient forum to the extent any action or proceeding is brought in such courts.
- (e) Without affecting the liability of Borrower or any Guarantor, Lender may accept partial payments marked "in full" or otherwise, release or impair any Collateral or agree not to sue any party liable on this Loan Agreement without waiving any of its rights hereunder.
- (f) Presentment, protest, demand and notice of dishonor are waived.
- (g) Without affecting the liability of any Guarantor, Lender may from time to time, without notice, renew or extend the time for payment.
- (h) Borrower expressly agrees that the interest rate set forth above in Section 2 is appropriate under the circumstances and shall be the applicable rate at which unpaid Principal (and Costs, as defined below) shall bear interest under this Loan Agreement notwithstanding any rate of interest prescribed by statute from time to time; provided, however, if fulfillment of any provisions of this Loan Agreement or any other instrument securing the Obligations is subject to a law that sets maximum interest rates or other charges, and that law is finally interpreted so that the interest or other fees collected or to be collected in connection with this Loan Agreement exceed the permitted limits, then
 - (i) any such charge will be reduced by the amount necessary to reduce the charge to the permitted limit;
 - (ii) any sums already collected from Borrower that exceed the permitted limits will be refunded or credited to Borrower; and
 - (iii) the obligations created by this Loan Agreement shall be fulfilled to the limit of such validity as is permitted by law.
- (i) Borrower shall keep the Collateral and Lender's interest in it insured under policies with such provisions, for such amounts and by such insurers as shall be satisfactory to Lender from time to time, and shall furnish evidence of such insurance satisfactory to Lender upon request. Borrower assigns (and directs any insurer to pay) to Lender the proceeds of all such insurance and any premium refund and authorizes Lender to endorse in the name of Borrower any instrument for such proceeds or refunds and, at the option of Lender, to apply such proceeds and refunds to any unpaid balance of the Obligations, whether or not due, and/or to restoration of the Collateral, returning any excess to Borrower. Lender is authorized, in the name of Borrower or otherwise, to make, adjust and/or settle claims under any insurance on the Collateral, or cancel the same after the occurrence of an Event of Default.
- (j) If Borrower fails to perform any of Borrower's duties set forth in this Loan Agreement or in any evidence of or document relating to the Obligations, Lender is authorized, in Borrower's name or otherwise, to take any such action, including, without limitation, signing Borrower's name or paying any amount so required, and the cost

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("Cost") shall be one of the Obligations secured by this Loan Agreement and shall be payable by Borrower upon Lender's demand with interest at the interest rate set forth above in Section 2 from the date of payment by Lender.

- (k) Borrower releases Lender from any liability for any act or omission relating to the Obligations, the Collateral or this Loan Agreement, except Lender's willful misconduct.
- (l) Invalidity or unenforceability of any provision of this Loan Agreement shall not affect the validity or enforceability of any other provision.
- (m) The terms of this Loan Agreement shall be binding upon Borrower and its permitted successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.
- (n) Borrower acknowledges that a broker may have received compensation in connection with this Loan Agreement.
- (o) Any of the Borrower, Lender or a Guarantor may choose to arbitrate any or all disputes and claims arising out of or relating to this Loan Agreement, the Guaranty or any other related document. A claim includes matters arising as an initial claim, counter-claim, cross-claim, third-party claim, or otherwise. If the Borrower, Lender or a Guarantor chooses to litigate any dispute or claim arising out of or relating to this Loan Agreement, the Guaranty or any related document through a judicial action, the decision to litigate shall not be deemed a waiver of arbitration, and if such judicial action is contested, any party may thereafter invoke its arbitration rights at any time before any discovery is taken in the judicial action. If the Borrower, Lender or a Guarantor seeks to have a dispute resolved by arbitration, that party must first send to the other party(ies) by certified mail, a written Notice of Intent to Arbitrate. If Borrower, Lender or a Guarantor do not reach an agreement to resolve the claim within 10 days after the notice is received, any party may commence an arbitration proceeding with the American Arbitration Association ("AAA"). Lender will promptly reimburse Borrower or the Guarantor any arbitration filing fee, however, if both the Borrower and the Guarantor must pay arbitration filing fees, Lender will only reimburse the Borrower's arbitration filing fee and, except as provided in the next sentence, the Lender will pay all arbitration administration and arbitrator fees. If the arbitrator finds that either the substance of any claim raised by Borrower or a Guarantor or the relief sought by Borrower or a Guarantor is improper or not warranted, as measured by the standards set forth in Federal Rule of Procedure 11(b), then Lender will pay the administration or arbitrator fees only if required by the AAA Rules. If the arbitrator grants relief to the Borrower or a Guarantor that is equal to or greater than the value of the relief requested by the Borrower or a Guarantor in the arbitration, Lender shall reimburse Borrower or the Guarantor, as applicable, for that party's reasonable attorneys' fees and expenses incurred for the arbitration. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, BORROWER AND LENDER AGREE THAT BY ENTERING INTO THIS LOAN AGREEMENT EACH IS WAIVING THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON, ARISING OUT OF OR RELATED TO THIS LOAN AGREEMENT AND ALL OTHER DOCUMENTATION EVIDENCING THE OBLIGATIONS, IN ANY LEGAL ACTION OR PROCEEDING. BORROWER AND LENDER MAY BRING CLAIMS AGAINST ANY OTHER PARTY ONLY IN THEIR INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF REPRESENTATIVE OR CLASS MEMBER IN ANY PURPORTED REPRESENTATIVE OR CLASS PROCEEDING; PROVIDED, THAT, BORROWER MAY BRING A CLAIM FOR PUBLIC INJUNCTIVE RELIEF TO THE EXTENT REQUIRED BY APPLICABLE LAW. Further, Borrower and Lender agree that the arbitrator may not consolidate proceedings for more than one person's claims, and may not otherwise preside over any form of a representative or class proceeding, and if this specific provision is found unenforceable, then the entirety of this arbitration clause shall be null and void. Any award by the individual arbitrator shall be final and binding, except for any appeal right under the Federal Arbitration Act ("FAA"), and may be entered and enforceable as a judgment in any court of competent jurisdiction, including as a judgment that permits Lender to initiate or complete the exercise of its remedies against, or its realization or foreclosure upon, any collateral or security provided for the benefit of Lender. This arbitration provision is made pursuant to a transaction in interstate commerce, and shall be governed by the FAA at 9 U.S.C. section 1 et seq.
- (p) In order to ensure a high quality of service for Lender's customers, Lender may monitor and/or record telephone calls between Borrower and Lender's employees. Borrower acknowledges that Lender may do so and agrees in advance to any such monitoring or recording of telephone calls.
- (q) Borrower authorizes Lender and Lender's affiliates, agents and independent contractors, including any loan servicers or collateral agents to contact Borrower at any telephone number Borrower provides to Lender or from which Borrower places a call to Lender, or any telephone number where Lender believes it may reach Borrower, using any means of communication, including, but not limited to, calls or text messages to mobile, cellular, wireless or similar devices or calls or text messages using an automated telephone dialing system and/or artificial voices or

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prerecorded messages, even if Borrower incurs charges for receiving such communications. Lender and Lender's affiliates, agents and independent contractors, including, but not limited to, any loan servicers or collateral agents, may use any other medium not prohibited by law, including, but not limited to, mail, e-mail and facsimile, to contact Borrower. Borrower expressly consents to conduct business by electronic means.

- (r) [reserved].
- (s) This Loan Agreement may be executed in one or more counterparts, each of which counterparts shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. For purposes of the execution of this Loan Agreement, electronic or fax signatures shall be treated in all respects as original signatures.

[Remainder of page is blank. Signature page follows.]

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BEFORE SIGNING THIS LOAN AGREEMENT, BORROWER READ AND UNDERSTOOD ALL OF THE PROVISIONS HEREOF. AFTER DUE CONSIDERATION AND THE OPPORTUNITY TO CONSULT WITH OTHER LENDERS (OR OTHER FINANCING SOURCES) AND WITH AN ATTORNEY, ACCOUNTANT OR OTHER COMPETENT PROFESSIONAL OF ITS CHOICE, BORROWER KNOWINGLY, WILLFULLY AND VOLUNTARILY AGREES TO THE TERMS OF THIS LOAN AGREEMENT.

BORROWER ACKNOWLEDGES RECEIPT OF A FULLY COMPLETED AND EXECUTED VERSION OF THIS LOAN AGREEMENT.

BORROWER: Quantum-Mac International, Inc.

Signature: IMO SAMSON OKWU
 Printed Name: IMO SAMSON OKWU
 Title: PRESIDENT/CEO
 Date: 9/7/2018

Notary Acknowledgement

STATE/Commonwealth of _____)
) ss.
 COUNTY OF _____)

On the ____ day of _____, in the year _____, before me, the undersigned, a notary public in and for said State/Commonwealth, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within Business Promissory Note and Security Agreement and acknowledged to me that he executed the same in her/his capacity as _____ of Quantum-Mac International, Inc. and that by her/his signature on the Business Promissory Note and Security Agreement, the individual, or the person upon behalf of which the individual acted, executed the Business Promissory Note and Security Agreement.

Notary Public

My commission expires: _____

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SCHEDULE A

PURCHASE MONEY COLLATERAL

[NONE]

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SCHEDULE E

SPECIFIC COLLATERAL

[NONE]

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SCHEDULE C

PERMITTED LIENS

[NONE]

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SCHEDULE D

ADDRESS OTHER THAN BORROWER'S ADDRESS AT WHICH COLLATERAL IS KEPT

Property Address
4496 Westview Dr. Powder Springs, GA. 30127

COPY VIEW

FOR TRF SEE

DE Book 15658 Page 6189

FOR TRF SEE

DE Book 15658 Page 6192

Deed Book 15570 Page 2310

Filed and Recorded 9/11/2018 11:04:00 AM

2018-0117719

Rebecca Keaton

Clerk of Superior Court

Cobb County, GA

Participant IDs: 9193983000

7067927938

RECORDATION REQUESTED BY:

World Business Lenders, LLC
101 Hudson Street, 33rd Floor
Jersey City, NJ 07302-3905

WHEN RECORDED MAIL TO:

World Business Lenders, LLC
101 Hudson Street, 33rd Floor
Jersey City, NJ 07302-3905

SEND TAX NOTICES TO:

World Business Lenders, LLC
101 Hudson Street, 33rd Floor
Jersey City, NJ 07302-3905

PREPARED BY:

World Business Lenders, LLC
101 Hudson Street, 33rd Floor
Jersey City, NJ 07302-3905

CD-6A-481406

Tax exempt as principal is due by December
12, 2019.

SECURITY DEED

THIS SECURITY DEED dated September 6th, 2018 is made and executed between Imo S. Okwu, whose address is 4496 Westview Dr., Powder Springs, GA 30127 and BOFI Federal Bank, its Successors and or Assigns, whose address is 9205 West Russell Road, Suite 400 Las Vegas, NV 89148 (referred to below as "Lender").

GRANT OF SECURITY DEED. FOR AND IN CONSIDERATION of the financial accommodations to Borrower by Lender resulting in the obligation which is hereinafter more particularly described, and in order to secure that obligation, Grantor hereby grants, bargains, conveys, transfers, assigns and sells to Lender, with power of sale, all of Grantor's right, title, and interest in and to the following described real property:

The Real Property is located in Cobb County, State of Georgia and is described as follows:

4496 Westview Dr., Powder Springs, GA 30127

See Exhibit A, which is attached to this Security Deed and made a part of this Security Deed as if fully set forth herein.

TOGETHER WITH ANY AND ALL of the following: (i) all buildings, structures and improvements now or hereafter located on the real property or on any part or parcel thereof and all fixtures affixed or attached, actually or constructively, thereto; (ii) all and singular the tenements, hereditaments, easements and appurtenances belonging thereunto or in any wise appertaining thereto and the reversion and reversions, remainder or remainders thereof; (iii) all Rents accruing therefrom, whether now or hereafter due; (iv) all accounts and contract rights now or hereafter arising in connection with any part or parcel thereof or any buildings, structures or improvements now or hereafter located thereon, including without limitation all accounts and contract rights in and to all leases or undertakings to lease now or hereafter affecting the land or any buildings, structures, or improvements thereon; (v) all minerals, flowers, crops, trees, timber, shrubbery and other emblements now or hereafter located thereon or thereunder or on or under any part or parcel thereof; (vi) all estates, rights, title and interest therein, or in any part or parcel thereof; (vii) all equipment, machinery, apparatus, fittings, fixtures, furniture, furnishings, mobile homes, modular homes and all personal property of every kind or description whatsoever now or hereafter located thereon, or in or on the buildings, structures and improvements thereon, and used in connection with the operation and maintenance thereof, and all additions thereto and replacements thereof; and (viii) all building materials, supplies, goods and equipment delivered thereto and placed thereon for the purpose of being affixed to or installed or incorporated or otherwise used in the buildings, structures or other improvements now or hereafter located thereon or any part or parcel thereof.

The Real Property or its address is commonly known as 4496 Westview Dr., Powder Springs, GA 30127

THIS SECURITY DEED, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE IN THE ORIGINAL PRINCIPAL AMOUNT OF \$(50,000.00) WHICH HAS THE MATURITY DATE OF , THE RELATED DOCUMENTS, AND THIS SECURITY DEED. IT IS THE INTENTION OF GRANTOR AND LENDER TO CREATE A PERPETUAL OR INDEFINITE SECURITY INTEREST IN THE REAL PROPERTY DESCRIBED IN THIS SECURITY DEED PURSUANT TO O.C.G.A. 44-14-80 AND TO AGREE THAT TITLE SHALL NOT REVERT TO GRANTOR FOR A PERIOD OF TWENTY (20) YEARS FROM THE DATE OF THIS SECURITY DEED. HOWEVER, NOTHING IN THIS PARAGRAPH WILL IMPAIR LENDER'S RIGHTS TO COLLECTION OF THE INDEBTEDNESS AND FORECLOSURE OF THE SECURITY INTEREST IF THE INDEBTEDNESS IS NOT REPAYED WHEN DUE. THIS SECURITY DEED IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Security Deed is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Security Deed and to hypothecate the Property; (c) the provisions of this Security Deed do not conflict with, or result in a default under any agreement or

other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Security Deed, Borrower shall pay to Lender all indebtedness secured by this Security Deed as it becomes due, and Borrower and Grantor shall strictly perform all Borrower's and Grantor's obligations under this Security Deed and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in good condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Security Deed. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Security Deed or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Security Deed, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Security Deed and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Security Deed.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Security Deed upon the sale or transfer, without Lender's prior written consent, of all or any part of the Property, or any interest in the Property. A "sale or transfer" means the conveyance of Property or any right, title or interest in the Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, or by any other method of conveyance of an interest in the Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Georgia law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Security Deed:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Security Deed, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Security Deed:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of thirty (30) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Security Deed. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Security Deed, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

LENDER'S EXPENDITURES. If Grantor fails (A) to keep the Property free of all taxes, liens, security interests, encumbrances, and other claims, (B) to provide any required insurance on the Property, or (C) to make repairs to the Property then Lender may do so. If any action or proceeding is commenced that would materially affect Lender's interests in the Property, then Lender on Grantor's behalf may, but is not required to, take any action that Lender believes to be appropriate to protect Lender's interests. All expenses incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Security Deed also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of any default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Security Deed:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Security Deed, and (b) Grantor has the full right, power, and authority to execute and deliver this Security Deed to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's

title or the interest of Lender under this Security Deed, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Promises. All promises, agreements, and statements Grantor has made in this Security Deed shall survive the execution and delivery of this Security Deed, shall be continuing in nature and shall remain in full force and effect until such time as Borrower's indebtedness is paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Security Deed:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable attorneys' fees and costs and expenses, including court costs that are incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Security Deed:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Security Deed and take whatever other action is requested by Lender to perfect and continue Lender's security interest on the Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Security Deed, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Security Deed.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Security Deed or upon all or any part of the Indebtedness secured by this Security Deed; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the Indebtedness secured by this type of Security Deed; (3) a tax on this type of Security Deed chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Security Deed, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Security Deed as a security agreement are a part of this Security Deed:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Personal Property. In addition to recording this Security Deed in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Security Deed as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Security Deed may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Security Deed.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Security Deed:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Security Deed, and the Related Documents, and (2) the liens and security interests created by this Security Deed as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or

Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower and Grantor pay all the Indebtedness when due, and Grantor otherwise performs all the obligations imposed upon Grantor under this Security Deed, Lender shall execute and deliver to Grantor a suitable satisfaction of this Security Deed and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following and each Event of Default (as defined in the Note) described in Section 8 of the Note, at Lender's option, shall constitute an Event of Default under this Security Deed:

Payment Default. Borrower fails to make any payment when due under the Indebtedness,

Default on Other Payments. Failure of Grantor within the time required by this Security Deed to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Break Other Promises. Borrower or Grantor breaks any promise made to Lender or fails to perform promptly at the time and strictly in the manner provided in this Security Deed or in any agreement related to this Security Deed.

False Statements. Any representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Security Deed or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

Defective Collateralization. This Security Deed or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The death of Borrower or Grantor, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Taking of the Property. Any creditor or governmental agency tries to take any of the Property or any other of Borrower's or Grantor's property in which Lender has a lien. This includes taking of, garnishing of or levying on Borrower's or Grantor's accounts with Lender. However, if Borrower or Grantor disputes in good faith whether the claim on which the taking of the Property is based is valid or reasonable, and if Borrower or Grantor gives Lender written notice of the claim and furnishes Lender with monies or a surety bond satisfactory to Lender to satisfy the claim, then this default provision will not apply.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

LENDER'S REMEDIES AND POWER OF SALE. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law and in addition to any rights or remedies as provided for in Section 8 of the Note:

Accelerate Indebtedness. Lender, at Lender's option and election and without notice to Grantor, may declare all or any portion of the Indebtedness to be immediately due and payable, whereupon the same shall be and shall become due and payable forthwith without presentment demand, protest or notice of any kind, all of which are expressly waived by Grantor.

Entry and Possession. Lender may enter upon the Property, or any part thereof, and take possession of the Property, excluding therefrom Grantor and all agents, employees and representatives of Grantor; employ a manager of the Property or any part thereof; hold, store, use, operate, manage, control, maintain and lease the Property or any part thereof; conduct business thereon; make all necessary and appropriate repairs, renewals, and replacements; keep the Property insured; and carry out or enter into agreements of any kind with respect to the Property.

Collection of Rents. Lender may collect and receive all Rents from the Property and apply the same to the Indebtedness, after deducting therefrom all costs, charges, and expenses of taking, holding, managing, and operating the Property, including the fees and expenses of Lender's attorneys, and agents.

Payments. Lender may pay any sum or sums deemed necessary or appropriate by Lender to protect the Property or any part of the Property or Lender's interest in the Property.

Other Remedies. Lender may exercise all rights and remedies contained in any Related Document, heretofore, concurrently herewith or in the future executed by Grantor in favor of Lender in connection with the transactions resulting in the Indebtedness or any part thereof.

Appointment of Receiver. Lender may make application to any court and be entitled to the appointment of a receiver to take charge of the Property or any part thereof without alleging or proving, or having any consideration given to, the insolvency of Grantor, the value of the Property as security for the Indebtedness, or any other matter usually incident to the appointment of a receiver.

UCC Remedies. With respect to the Personal Property in which a security interest is herein granted, Lender may exercise any or all of the rights accruing to a secured party under this Security Deed, the Uniform Commercial Code (Sections 11-9-101 et. seq. of the Ga. Code Annotated) and any other applicable law. Grantor shall, if Lender requests, assemble all such Personal Property and make it available to Lender at a place or places to be designated by Lender, which shall be reasonably convenient to Grantor and Lender. Any notice required to be given by Lender of a public or private sale, lease or other disposition of the Personal Property or any other intended action by Lender may be delivered personally to Grantor or may be deposited in the United States mail with postage prepaid duly addressed to Grantor at the address of Grantor last known to Lender at least five (5) business days prior to such proposed action, and shall constitute reasonable and fair notice to Grantor of any such action.

Power of Sale. Lender may sell the Property, or any part thereof or any interest therein, separately, at Lender's discretion, with or without taking possession thereof, at public sale before the courthouse door of the county in which the Property, or any part thereof, is located, to the highest bidder for cash, after first giving notice of the time, place and terms of such sale by advertisement, published once a week for four weeks (without regard for the number of days) in a newspaper in which advertisements of sheriff's sales are published in such county. The advertisement so published shall be notice to Grantor, and Grantor hereby waives all other notices. Lender may bid and purchase at any such sale, and Lender may execute and deliver to the purchaser or purchasers at any such sale a sufficient conveyance of the Property, or the part thereof or interest therein sold. Lender's conveyance may contain recitals as to the occurrence of an Event of Default, under this Security Deed, which recitals shall be presumptive evidence that all preliminary acts prerequisite to such sale and conveyance were in all things duly complied with. The recitals made by Lender shall be binding and conclusive upon Grantor, and the sale and conveyance made by Lender shall divest Grantor of all right, title, interest and equity that Grantor may have had in, to and under the Property, or the part thereof or interest therein sold, and shall vest the same in the purchaser or purchasers at such sale. Lender may hold one or more sales hereunder until the indebtedness has been satisfied in full. Grantor hereby constitutes and appoints Lender as Grantor's agent and attorney-in-fact to make such sale, to execute and deliver such conveyance and to make such recitals, and Grantor hereby ratifies and confirms all of the acts and doings of Lender as Grantor's agent and attorney-in-fact hereunder. Lender's agency and power as attorney-in-fact hereunder are coupled with an interest, cannot be revoked by insolvency, incompetency, death or otherwise, and shall not be exhausted until the indebtedness has been satisfied in full. The proceeds of each sale by Lender hereunder shall be applied first to the costs and expenses of the sale and of all proceedings in connection therewith, including attorneys' fees if applicable, then to payment of the indebtedness, and the remainder, if any, shall be paid to Grantor. If the proceeds of any sale are not sufficient to pay the indebtedness in full, Lender shall determine, at Lender's option and in Lender's discretion, the portions of the indebtedness to which the proceeds (after deducting therefrom the costs and expenses of the sale and all proceedings in connection therewith) shall be applied and in what order the proceeds shall be so applied. Grantor covenants and agrees that, in the event of any sale pursuant to the agency and power herein granted, Grantor shall be and become a tenant holding over and shall deliver possession of the Property, or the part thereof or interest therein sold, to the purchaser or purchasers at the sale or be summarily dispossessed in accordance with the provisions of law applicable to tenants holding over. All of Lender's rights and remedies will be cumulative and may be exercised alone or together.

Attorneys' Fees; Expenses. If any part of the indebtedness is collected by or with any assistance from or consultation with an attorney at law, Grantor shall pay to Lender as Lender's attorneys' fees, fifteen percent (15%) of such amount collected. Whether or not any court action is involved, and to the extent not prohibited by law, all attorneys' fees and all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Security Deed, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Security Deed. All copies of notices of foreclosure from the holder of any prior security interest which has priority over this Security Deed shall be sent to Lender's address, as shown near the beginning of this Security Deed. Any person may change his or her address for notices under this Security Deed by giving formal written notice to the other person or persons, specifying that the purpose of the notice is to change the person's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors. It will be Grantor's responsibility to tell the others of the notice from Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Security Deed:

Amendments. What is written in this Security Deed and in the Related Documents is Grantor's entire agreement with Lender concerning the matters covered by this Security Deed. To be effective, any change or amendment to this Security Deed must be in writing and must be signed by whoever will be bound or obligated by the change or amendment.

Caption Headings. Caption headings in this Security Deed are for convenience purposes only and are not to be used to interpret or define the provisions of this Security Deed.

Governing Law. The creation, perfection, priority and enforcement of the security interest created pursuant to this Security Deed shall be governed by, and construed and interpreted in accordance with, the laws of the State of Georgia ("Property Jurisdiction") without regard to the conflict of laws provisions of the Property Jurisdiction. The provisions of this Security Deed relating to the obligations secured hereby or to any agreement, instrument or document giving rise to the obligations secured hereby shall be governed by and construed and interpreted in accordance with, the governing law of the Note. Nothing in this Security Deed shall be construed or interpreted to provide that any other

agreement, instrument or document shall be governed by the laws of the Property Jurisdiction. Grantor (a) agrees that any suit, action or proceeding arising out of or relating to this Security Deed may be brought in a state court of record or a federal court of record in the county of Cobb, Georgia, (b) consents to the jurisdiction of each such court in any such suit, action or proceeding, (c) waives any objection to the laying of venue of any such suit, action or proceeding in any such court, (d) waives any claim that any such suit, action or proceeding has been brought in an inconvenient forum, (e) waives any other venue to which it might be entitled for any such suit, action or proceeding by virtue of citizenship, domicile, habitual residence or otherwise, (f) consents to the service of any process in any such suit, action or proceeding at its address provided herein, and (g) agrees that nothing in this Security Deed waives the Lender's choice of venue under any other agreement, instrument or document. Nothing in this Security Deed shall prevent Lender from bringing any suit, action or proceeding, enforcing any award or judgment, or exercising any right or remedy against Borrower, or against any security or collateral for the obligations of Borrower to Lender, within any other county or state, or any other foreign or domestic jurisdiction.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of the State of Georgia, in Cobb County, GA.

Joint and Several Liability. All obligations of Borrower and Grantor under this Security Deed shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Security Deed.

No Waiver by Lender. Grantor understands Lender will not give up any of Lender's rights under this Security Deed unless Lender does so in writing. The fact that Lender delays or omits to exercise any right will not mean that Lender has given up that right. If Lender does agree in writing to give up one of Lender's rights, that does not mean Grantor will not have to comply with the other provisions of this Security Deed. Grantor also understands that if Lender does consent to a request, that does not mean that Grantor will not have to get Lender's consent again if the situation happens again. Grantor further understands that just because Lender consents to one or more of Grantor's requests, that does not mean Lender will be required to consent to any of Grantor's future requests. Grantor waives presentment, demand for payment, protest, and notice of dishonor.

Severability. If a court finds that any provision of this Security Deed is not valid or should not be enforced, that fact by itself will not mean that the rest of this Security Deed will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Security Deed even if a provision of this Security Deed may be found to be invalid or unenforceable.

Merger. There shall be no merger of the interest or estate created by this Security Deed with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Security Deed on transfer of Grantor's interest, this Security Deed shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Security Deed and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Security Deed or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Security Deed.

Waiver of Notice and Hearing and Homestead Exemption. Grantor expressly waives: (1) any right Grantor may have under the Constitution of the State of Georgia or the Constitution of the United States of America to notice or to a judicial hearing prior to the exercise of any right or remedy provided to Lender by this Security Deed and Grantor waives Grantor's rights, if any, to set aside or invalidate any sale under power duly consummated in accordance with the provisions of this Security Deed on the ground (if such be the case) that the sale was consummated without prior notice or judicial hearing or both; and (2) all homestead exemption rights, if any, which Grantor or Grantor's family may have pursuant to the Constitution and laws of the United States, the State of Georgia or any other State of the United States, in and to the Property as against the collection of the indebtedness, or any part of the indebtedness. All waivers by Grantor in this provision have been made voluntarily, intelligently and knowingly by Grantor, after Grantor has been afforded an opportunity to be informed by counsel of Grantor's choice as to possible alternative rights. Grantor's execution of this Security Deed shall be conclusive evidence of the making of such waivers and that such waivers have been voluntarily, intelligently and knowingly made.

DEFINITIONS. The following words shall have the following meanings when used in this Security Deed:

Borrower. The word "Borrower" means Quantum-Mac International Inc.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Security Deed in the events of default section of this Security Deed.

Grantor. The word "Grantor" means Imo S. Okwu

Guarantor. The word "Guarantor" means Imo Samson Okwu.

Guaranty. The word "Guaranty" means the Continuing Guaranty (Unlimited) from Guarantor to Lender dated September 5th, 2018.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Security Deed, together with any amounts expended to preserve and protect the Property and together with interest on such amounts as provided in this Security Deed.

Lender. The word "Lender" means BOFI Federal Bank, its successors and or assigns. The words "successors or assigns" mean any person or company that acquires any interest in the Note.

Note. The word "Note" means the Business Promissory Note and Security Agreement dated September 5th, 2018, in the original principal amount of \$50,000.00 from Borrower to Lender, together with all renewals, extensions, modifications, refinancing, consolidations, and substitutions thereof. The interest rate on the Note is 0.281369863014% per day. The Note is payable commencing on September 11th, 2018 and on each Business Day thereafter until December 11th, 2019 with each daily payment equaling \$282.67, followed by a final payment of \$279.26 on December 12th, 2019, when any remaining outstanding Principal, interest and other unpaid charges shall be due and payable in full. The maturity date of the Note is December 12th, 2019.

Personal Property. The words "Personal Property" mean all equipment, fixtures, mobile homes, modular homes, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached, affixed to the Real Property excluding only that property which by operation of law is Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Security Deed less and except the Personal Property.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Security Deed. The words "Security Deed" mean this Security Deed between Grantor and Lender, and includes without limitation all assignments and security interest provision relating to the Personal Property and the Rents.

[Remainder of page is blank. Signature page follows.]

Deed Book 15570 Page 2318

IN WITNESS WHEREOF, THIS SECURITY DEED HAS BEEN SIGNED BY THE UNDERSIGNED, WHO ACKNOWLEDGES A COMPLETED COPY HEREOF. THIS SECURITY DEED IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS SECURITY DEED IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

GRANTOR: Imo S. Okwu

(Signature) (Seal)
(Grantor Signature)

Signed, sealed and delivered

In the presence of

(Signature) Cyathia Uche
1st Unofficial Witness

(Signature) Eric Badger
2nd Unofficial Witness

Acknowledgment

State of Georgia
County of Coeb

I, Eric Badger, a commissioner of deeds for the state of Georgia (or other officer, as the case may be), residing in the county and state aforesaid, do certify that (grantors), who is/are personally known to me, this date appeared before me personally and did acknowledge that he/she did sign, deal, and deliver the foregoing deed (or instrument) of his/her own free will and accord, for the purposes therein names and expressed. In Witness Whereof, I have hereunto set my hand and official seal, this 6th date of September, 2018.

(Signature) Eric Badger
Notary Public
Commission Expiration Date: 12/15/18



Georgia - Security Deed - Residential - Grantor
Revision Date: August 2018

9 of 9

Deed Book 15570 Page 2319
Rebecca Keaton
Clerk of Superior Court

Exhibit A

Legal Description

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 1171 OF THE 19TH DISTRICT AND 2ND SECTION OF COBB COUNTY, GEORGIA, BEING LOT 11, BLOCK D, WESTRIDGE SUBDIVISION, UNIT II, AS SHOWN ON PLAT OF SURVEY MADE FOR CHARLES H. HUEY BY FRANK L. BOYD, REGISTERED LAND SURVEYOR, DATED JULY 12, 1976, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN ON THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE, 121.61 FEET NORTHWESTERLY FROM THE INTERSECTION OF THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE AND THE NORTHWESTERLY SIDE OF WESTON COURT AS MEASURED ALONG THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE; RUNNING THENCE WESTERLY ALONG THE NORTHERLY SIDE OF WESTVIEW DRIVE A DISTANCE OF 116.29 FEET TO AN IRON PIN; THENCE NORTH 02 DEGREES 32 MINUTES EAST 191.60 FEET TO AN IRON PIN; THENCE SOUTH 88 DEGREES 15 MINUTES EAST 141.6 FEET TO AN IRON PIN; THENCE SOUTH 09 DEGREES 40 MINUTES WEST 195.82 FEET TO AN IRON PIN ON THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE AND THE POINT OF BEGINNING

Commonly Known As: 4496 Westview Drive, Powder Springs, GA 30127
Parcel ID: 19117100570



Deed Book 15658 Pg 6189
Filed and Recorded Aug-23-2019 12:38pm
2019-0098915

Rebecca Keaton

Rebecca Keaton
Clerk of Superior Court Cobb Cty. Ga.

When Recorded Return To:
LIEN SOLUTIONS
PO BOX 29071
GLENDALE, CA 91209-9071
Phone #: 800-833-5778
Loan#: Quantum-Mac International
PIN: 19117100570

Prepared By:
World Business Lenders, LLC
101 Hudson Street, 33rd Floor
Jersey City, NJ 07302

ASSIGNMENT OF SECURITY DEED



State of: New Jersey
(State of Execution)
In: Hudson
(County of Execution)

For value received, Axos Bank, its Successors and or Assigns formerly known as BOFI Federal Bank, 9205 West Russell Road, Suite 400, Las Vegas, NV, 89148 has this day transferred, sold, assigned, conveyed and set over to World Business Lenders, LLC a limited liability company organized and existing under the laws of New York (herein "Assignee"), whose address is 101 Hudson Street, 33rd Floor, Jersey City, NJ, 07302, as Assignee, its successors, representatives and assigns, all its rights, title and interest in and to a certain Security Deed (or Deed to Secure Debt) executed by Imo S. Okwu to BOFI Federal Bank, its Successors and or Assigns, dated 09/06/2018, recorded on 9/11/2018 in Deed Book: 15570 Page: 2310 Instrument No: 2018-0117719, Cobb County, Georgia Records.

Description/Additional information: See attached Exhibit A.
Loan Amount: \$50,000.00

The Assignor herein specifically transfers, sells, conveys and assigns to the above Assignee, its successors, representatives and assigns, the aforesaid Security Deed, the property described therein, the indebtedness secured thereby together with all the powers, options, privileges and immunities therein contained.

The Assignor herein has this day sold and assigned to the Assignee herein the note secured by the aforesaid Security Deed and this transfer is made to secure the Assignee, its successors, representatives and assigns, in the payment of said note.

IN WITNESS WHEREOF, the undersigned Assignor has hereunto set its hand and seal on 08/16/2019.

Deed Book 15658 Pg 6190

World Business Lenders, LLC, as Attorney-in-Fact for Axos Bank, formerly known as BOFI Federal Bank

Shannon Flood
By: Shannon Flood
Its: Vice President

Signed, sealed, and delivered in the presence of:

Stacia Douglas
Unofficial Witness Stacia Douglas

Josefine Helena
Notary Public: Josefine Helena



Deed Book 15658 Ps 6191
Rebecca Keaton
Clerk of Superior Court Cobb Cty. Ga.

Exhibit A

Legal Description

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 1171 OF THE 19TH DISTRICT AND 2ND SECTION OF COBB COUNTY, GEORGIA, BEING LOT 11, BLOCK D, WESTRIDGE SUBDIVISION, UNIT II, AS SHOWN ON PLAT OF SURVEY MADE FOR CHARLES H. HUEY BY FRANK L. BOYD, REGISTERED LAND SURVEYOR, DATED JULY 12, 1976, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN ON THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE, 121.61 FEET NORTHWESTERLY FROM THE INTERSECTION OF THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE AND THE NORTHWESTERLY SIDE OF WESTON COURT AS MEASURED ALONG THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE; RUNNING THENCE WESTERLY ALONG THE NORTHERLY SIDE OF WESTVIEW DRIVE A DISTANCE OF 116.29 FEET TO AN IRON PIN; THENCE NORTH 02 DEGREES 32 MINUTES EAST 191.60 FEET TO AN IRON PIN; THENCE SOUTH 88 DEGREES 15 MINUTES EAST 141.6 FEET TO AN IRON PIN; THENCE SOUTH 09 DEGREES 40 MINUTES WEST 195.82 FEET TO AN IRON PIN ON THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE AND THE POINT OF BEGINNING

Commonly Known As: 4496 Westview Drive, Powder Springs, GA 30127
Parcel ID: 19117100570

Deed Book 15658 Pg 6192
Filed and Recorded Aug-23-2019 12:38pm
2019-0098916

Rebecca Keaton

Rebecca Keaton
Clerk of Superior Court Cobb Cty. Ga.



When Recorded Return To:
LIEN SOLUTIONS
PO BOX 29071
GLENDALE, CA 91209-9071
Phone #: 800-833-5778
Loan#: Quantum-Mac International
PIN: 19117100570

Prepared By:
World Business Lenders, LLC
101 Hudson Street, 33rd Floor
Jersey City, NJ 07302

ASSIGNMENT OF SECURITY DEED



State of: New Jersey
(State of Execution)
In: Hudson
(County of Execution)

For value received, **World Business Lenders, LLC, 101 Hudson Street, 33rd Floor, Jersey City, NJ, 07302** has this day transferred, sold, assigned, conveyed and set over to **WBL SPE III, LLC** a limited liability company organized and existing under the laws of **Delaware** (herein "Assignee"), whose address is **101 Hudson Street, 33rd Floor, JERSEY CITY, NJ, 07302**, as Assignee, its successors, representatives and assigns, all its rights, title and interest in and to a certain Security Deed (or Deed to Secure Debt) executed by **Imo S. Okwu to BOFI Federal Bank, its Successors and or Assigns**, dated **09/06/2018**, recorded on **09/11/2018** in Deed Book: **15570 Page: 2310 Instrument No: 2018-0117719, Cobb County, Georgia** Records.

Description/Additional information: See attached Exhibit A.
Loan Amount: \$50,000.00

The Assignor herein specifically transfers, sells, conveys and assigns to the above Assignee, its successors, representatives and assigns, the aforesaid Security Deed, the property described therein, the indebtedness secured thereby together with all the powers, options, privileges and immunities therein contained.

The Assignor herein has this day sold and assigned to the Assignee herein the note secured by the aforesaid Security Deed and this transfer is made to secure the Assignee, its successors, representatives and assigns, in the payment of said note.

IN WITNESS WHEREOF, the undersigned Assignor has hereunto set its hand and seal on **08/16/2019**.

Deed Book 15658 Pg 6193

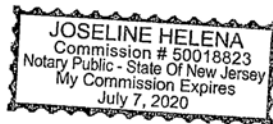
World Business Lenders, LLC

Shannon Flood
By: Shannon Flood
Its: Vice President

Signed, sealed, and delivered in the presence of:

Tacia Doud
Unofficial Witness Tacia Doud

Josefine Hetera
Notary Public: Josefine Hetera



Deed Book ~~15658~~ Ps ~~6194~~
Rebecca Keaton
Clerk of Superior Court Cobb Cty. Ga.

Exhibit A

Legal Description

ALL THAT TRACT OR PARCEL OF LAND LYING AND BEING IN LAND LOT 1171 OF THE 19TH DISTRICT AND 2ND SECTION OF COBB COUNTY, GEORGIA, BEING LOT 11, BLOCK D, WESTRIDGE SUBDIVISION, UNIT II, AS SHOWN ON PLAT OF SURVEY MADE FOR CHARLES H. HUEY BY FRANK L. BOYD, REGISTERED LAND SURVEYOR, DATED JULY 12, 1976, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIN ON THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE, 121.61 FEET NORTHWESTERLY FROM THE INTERSECTION OF THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE AND THE NORTHWESTERLY SIDE OF WESTON COURT AS MEASURED ALONG THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE; RUNNING THENCE WESTERLY ALONG THE NORTHERLY SIDE OF WESTVIEW DRIVE A DISTANCE OF 116.29 FEET TO AN IRON PIN; THENCE NORTH 02 DEGREES 32 MINUTES EAST 191.60 FEET TO AN IRON PIN; THENCE SOUTH 88 DEGREES 15 MINUTES EAST 141.6 FEET TO AN IRON PIN; THENCE SOUTH 09 DEGREES 40 MINUTES WEST 195.82 FEET TO AN IRON PIN ON THE NORTHEASTERLY SIDE OF WESTVIEW DRIVE AND THE POINT OF BEGINNING

Commonly Known As: 4496 Westview Drive, Powder Springs, GA 30127
Parcel ID: 19117100370

RICHARD S. ALEMBIK

RICHARD S. ALEMBIK, PC
ATTORNEYS AT LAW
315 West Ponce de Leon Avenue, Suite 250
Decatur, Georgia 30030-5100 (USA)
www.alembik.com

OF COUNSEL
WILLIAM S. DOMINY

Writer's direct dial: 404-373-0205

Writer's e-mail: general_mailbox@alembik.com

June 1, 2020

VIA FACSIMILE ((404)294-0919),
FIRST CLASS, AND CERTIFIED
MAIL NO: 7016 2710 0000 9557 8792

Brock & Scott, PLLC
4360 Chamblee Dunwoody Rd.
Ste. 310
Atlanta, Georgia 30341

RE: Notice Under the Fair Debt Collection Practices Act
("FDCPA"), including 15 U.S.C. §§ 1692c(a)(2), 1681i,
1681s-2 and 1692e)

Your Client: WBL SPE III, LLC

Your Ref.: 19-17109

Home: 4496 Westview Dr. Powder Springs, Cobb County, Georgia

Foreclosure Date: June 2, 2010

Our Client: Imo S. Okwu

Our File No.: 6933500-001-060

Dear Sir or Madam:

This office now represents the above-referenced client, Mr. Okwu, with respect to your collection efforts against him.

This letter follows up the debt-validation letter that you sent to our client on May 11, 2020.

We have performed extensive research and analysis on the loan documents related to this matter, as follows:

On May 29, 2020, you published a Notice of Sale under Power in the

Brock & Scott, PLLC

FDCPA Notice

June 1, 2020

Page 2

Marietta Daily Journal of your intention to exercise the power of sale granted under a Deed to Secure Debt that is recorded at Deed Book 15570, Page 2310 of the Cobb County deed records (the "DSD"). The grantor of the DSD is Mr. Okwu — the owner of the above-referenced Home. The DSD apparently secures a loan made to *Quantum-Mac International, Inc.* However, we can't find (nor have you produced) a note, guarantee, or other evidence of indebtedness signed by or that otherwise obliges Mr. Okwu personally. To be legally binding on the promisor, "[a] promise to answer for the debt, default, or miscarriage of another," must be "in writing and signed by the party to be charged therewith or some person lawfully authorized by him or her." The DSD does not secure any personal debt, obligation, or guarantee entered into in writing by Mr. Okwu. In the absence of such a writing, Mr. Okwu's home cannot collateralize the debt of Quantum-Mac International, Inc. In the absence of a debt or guarantee of the grantor, the DSD to the Home is void and ineffective. See O.C.G.A. § 44-14-67, *Hennessy v. Woodruff*, 210 Ga. 742, 744 (1954).

It appears that you are attempting to deprive Mr. Okwu of the possession of his home as a consequence of an unauthorized and illegal non-judicial foreclosure sale.

You really should not do this.

As you know, the FDCPA applies to nonjudicial foreclosure proceedings. See *Reese v. Ellis, Painter, Ratterree & Adams, LLP*, 678 F.3d 1211, 1218 (11th Cir. 2012). And, you are a "debt collector" to whom the FDCPA is applicable, and as the term is defined under 15 U.S.C. § 1692a(6).

Under the FDCPA, specifically 15 U.S.C. § 1692e(5), you have threatened our client with taking an "action that cannot legally be taken or that is not intended to be taken."

Under the FDCPA, specifically 15 U.S.C. § 1692e(2), you have falsely represented the character, amount, or status of a debt and / or sought to collect amounts not lawfully authorized.

Under the FDCPA, specifically 15 U.S.C. § 1692e(10), you have made a false

Brock & Scott, PLLC

FDCPA Notice

June 1, 2020
Page 3

representation or used deceptive means to collect or attempt to collect any debt.]

Under the FDCPA, specifically 15 U.S.C. § 1692f, you have used unfair or unconscionable means to collect a debt, as described above.

Under the FDCPA, specifically 15 U.S.C. § 1692f(1), you have used unfair or unconscionable means to collect a debt by attempting to collect an amount not expressly authorized by the original debt instrument — “including any interest, fee, charge, or expense incidental to the principal obligation.”

Under 15 U.S.C. § 1692d, you have engaged in “conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt.”

Under the FDCPA and other applicable law your conducting the referenced non-judicial foreclosure sale can expose you to significant legal liability.

PLEASE BE GOVERNED ACCORDINGLY

Sincerely,

RICHARD S. ALEMBIK, PC

By: Rick Alembik by Cliff Kitchens w/e/p
Richard S. Alembik

RA/cak

TEL (1) (404) 373-0205

FAX (1) (404) 795-8999

RICHARD S. ALEMBIK, PC

ATTORNEYS AT LAW

315 W. Ponce de Leon Ave., Ste. 250

Decatur, Georgia 30030 (USA)

www.alembik.com

FACSIMILE ☐ MEMO ☒ COVER

Date: Monday, June 1, 2020

To: Brock & Scott, PLLC

Phone: (404)789-2661

FAX: (404)294-0919

From: Richard S. Alembik, PC

Your Ref: 19-17109

RE: 4496 Westview Dr. Powder Springs, GA 30127

Pages + Cover:

4

☒ URGENT ☒ For Review ☒ Please Comment ☐ Per your request
☒ Original to Follow by: ☒ First Class Mail ☐ FedEx ☐ Courier ☐

CONFIDENTIALITY NOTE: The information contained in this facsimile message is legally privileged and confidential. It is intended only for the use of the individual or entity named above. If the reader is not the intended recipient, you are hereby notified that any further distribution, dissemination, or copying of this electronic facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify the offices of Richard S. Alembik, PC by telephone at (1) 404-373-0205; and return the original message to these offices at the above address via U.S. Mail, for which you will be promptly reimbursed and rewarded.

COMMENTS: Please find the following.

Clifton Kitchens

From: send@mail.efax.com
Sent: Monday, June 1, 2020 12:30 PM
To: General Mailbox
Subject: Successful transmission to 14042940919. Re: UNKNOWN



Your fax was successfully sent to 14042940919 by eFax.

Fax Details

Date: 2020-06-01 16:30:19 (GMT)
Number of Pages: 4
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Receiving Machine Fax ID: FGW434

If you have any questions, please visit our [online help center](#) or contact [Customer Support](#).

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