

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF GEORGIA
SAVANNAH DIVISION**

In re: TITLEMAX HOLDINGS, LLC, <u>et al.</u> , Debtors.	: Chapter 11 : : Case No. 09-40805 : : (Joint Administration Pending) : : Hon. Lamar W. Davis, Jr.
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**AFFIDAVIT OF JOHN ROBINSON, PRESIDENT OF THE DEBTORS, IN
SUPPORT OF FIRST DAY MOTIONS AND APPLICATIONS**

I, JOHN ROBINSON, being duly sworn, depose and state as follows:

1. On April 20, 2009 (the "Petition Date"), TitleMax Holdings, LLC, a Delaware limited liability company ("TitleMax"), and its wholly-owned corporate subsidiaries: (i) TitleMax Funding, Inc., a Florida corporation; (ii) TitleMax Financing, Inc., a Florida corporation; (iii) TitleMax of Georgia, Inc., a Georgia corporation; (iv) TitleMax of Tennessee, Inc., a Tennessee corporation; (v) TitleMax of South Carolina, Inc., a South Carolina corporation; (vi) TitleMax of Alabama, Inc., a Alabama corporation; (vii) TitleMax of Mississippi, Inc., a Delaware corporation; (viii) TitleMax of Virginia, Inc., a Virginia corporation; (ix) TitleMax of Illinois, Inc., a Delaware corporation; (x) TitleMax of Missouri, Inc., a Delaware corporation; (xi) TitleMax of Texas, Inc., a Texas corporation; (xii) CheckMax of Mississippi, Inc., a Delaware corporation; (xiii) CheckMax of Tennessee, Inc., a Delaware corporation; (xiv) CheckMax of South Carolina Inc., a Delaware corporation; and (xv) CheckMax of Virginia Inc., a Delaware corporation (collectively, with TitleMax, the "Debtors"), as debtors and debtors in possession, each commenced a case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

2. The Debtors have continued in the possession of their property and have continued to operate and manage their business as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

3. I am the President of the Debtors. My duties for the Debtors include the general supervision of and responsibility for many aspects of the Debtors' day-to-day operations and business affairs. Among other things, I am significantly involved with the development and implementation of the Debtors' business plans and strategies and advise the Debtors with respect to their business and financial activities.

4. As the President of the Debtors, I have general knowledge of the Debtors' books and records and am familiar with the Debtors' financial and operational affairs.

5. In order to minimize any adverse effects of the commencement of these chapter 11 cases on the Debtors' business operations, the Debtors previously filed certain "first day" applications and motions (collectively, the "First Day Motions"). The First Day Motions seek, among other things, to ensure the continuation of the Debtors' business operations without interruption and to ensure a smooth transition into chapter 11.

6. I submit this Affidavit to assist the Court and other parties in interest in understanding the circumstances that compelled the commencement of these chapter 11 cases and in support of the First Day Motions. Except as otherwise indicated, all statements in this Affidavit are based on my personal knowledge, my review of relevant documents, my opinion based on my experience and knowledge of the Debtors' operations and financial condition or information provided to me by other representatives of the Debtors. If I were called upon to testify, I could and would testify competently to each of the facts set forth in this Affidavit.

7. I am authorized to submit this Affidavit on behalf of the Debtors.

8. Any capitalized terms not expressly defined herein shall have the meanings set forth in the applicable motion or application.

II.
BACKGROUND AND EVENTS LEADING TO
THE COMMENCEMENT OF THE CHAPTER 11 CASES

A. The Debtors' Business Operations

9. The Debtors are privately-owned businesses based in Savannah, Georgia. The Debtors are one of the largest title lending companies in the United States, focusing their operations in Georgia, Alabama, South Carolina, and Tennessee. More recently, the Debtors have expanded operations into numerous other states.

10. The Debtors operate approximately 553 stores, employ approximately 1,800 individuals and serve approximately 180,000 customers.

11. The Debtors' businesses principally involve providing financial products to people without access to traditional credit alternatives. The Debtors focus exclusively on automotive and title pawn lending and 100% of their receivables are automobile and title pawn loans. The customer loan (the "Customer Loan") origination process takes approximately thirty (30) to forty-five (45) minutes to complete. Generally, a customer who needs cash brings their vehicle, with a lien-free title, to the Debtors and the car is used as collateral for the transaction. The customer fills out an application and his or her car is appraised by an employee of the Debtors. Using the appraised value of the car, and based upon the customer's need, the Debtors' will lend up to 80% of the vehicles' appraised value.

12. The Customer Loans range from approximately \$100 to \$5,100 depending upon, among other things, applicable state regulations, the value of the underlying collateral and the term of the loan. The Debtors do not check or lend based on a customer's credit score and, in the event that a customer defaults under the terms of his or her Customer Loan, the customer's credit score is not affected. In addition, the Debtors do not require their customers to either purchase or maintain collision insurance on the vehicle being used as collateral. Significantly, the Debtors provide loans at interest rates up to fifty percent below the interest rates charged by their competitors.

13. After providing other important information and documentation, the customer leaves one of the Debtors' stores with a check in hand and retains the use of his or her vehicle. When the origination process is completed, the title is sent to the applicable department of motor vehicles ("DMV") to record the Debtors as the first lien holder. Upon repayment of the customer loan account (the "Customer Loan Account") with the Debtors, the title to the customer's automobile is returned to the customer.

B. The Debtors' Credit Facilities

14. On April 20, 2007 the Debtors entered into a Loan and Security Agreement (the "Prepetition Credit Agreement"), among the Debtors, as borrowers, Merrill Lynch Mortgage Capital Inc., as both agent (in such capacity, together with its successors in interest in such capacity, the "Agent") and lender, and Fortress Credit Funding I LP, Fortress Credit Funding III LP, and Fortress Credit Opportunities I, LP ("Fortress," and, together with Merrill Lynch Mortgage Capital Inc. in its capacity as Agent, the "Secured Lenders").

15. The maximum amount of the loan facility (the “Loan Facility”) under the Prepetition Credit Agreement was \$255,000,000, of which \$225,000,000 was comprised of the tranche A maximum amount (“Tranche A Maximum Amount”), and \$30,000,000 the tranche B maximum amount (“Tranche B Maximum Amount”). Tranche A advances bear interest at one-month LIBOR plus a 2.50% margin. Tranche B advances bear interest at one-month LIBOR plus a 10% margin. In April 2009, in connection with negotiations to refinance the Loan Facility, Debtors executed a term sheet that reduced the Tranche A Maximum Amount to \$140,000,000 and the Tranche B Maximum Amount to \$25,000,000.

16. Pursuant to the Prepetition Credit Agreement, the Agent was granted, for the benefit of the Secured Lenders, a continuing lien on and security interest in substantially all of the Debtors’ assets (the “Prepetition Collateral”). The tranche A and tranche B advances are secured by the same Collateral.

17. As of the Petition Date, the total outstanding principal amount under the Loan Facility was approximately 164,000.000, of which \$140,000,000 consists of tranche A advances and \$24,000,000 in tranche B advances. The Prepetition Credit Agreement had a scheduled maturity date of April 20, 2009 (the “Maturity Date”).

III. EVENTS LEADING TO CHAPTER 11 FILINGS

A. Attempts to Refinance the Prepetition Credit Agreement

18. During the summer of 2008, the Debtors began pursuing refinancing options, with both the Secured Lenders and other potential third-party lenders, in order to refinance the Loan Facility.

19. In November 2008, the Debtors retained Stephens Inc. (“Stephens”), a national investment banking firm with substantial experience in the Debtors’ business sector, to assist with these efforts.

20. The Debtors and Stephens diligently explored various out-of-court alternatives, including a refinancing of the Prepetition Credit Agreement through the issuance of new debt and an equity infusion. Stephens contacted approximately 25 commercial banks, commercial finance companies, hedge funds and other lenders regarding participating in refinancing the Prepetition Credit Agreement.

21. Stephens also contacted more than 20 private equity firms with an offer to participate as a source of equity capital in refinancing the Prepetition Credit Agreement. Although several of the lenders and private equity firms performed due diligence on the Debtors and held meetings in person or by conference call with management, the Debtors have been unable to arrange an adequate amount of debt and equity financing to refinance the Prepetition Credit Agreement.

22. Unfortunately, due to the current “credit crunch” and the ongoing turmoil in the economy, the Debtors’ have been unsuccessful in finding reasonable proposals to refinance their credit facility. There has been and remains a significant lack of liquidity in the credit markets.

23. The combination of the Debtors’ inability to obtain reasonable refinancing proposals and the impending Maturity Date have prompted the Debtors chapter 11 filings.

24. The Debtors have and continue to be a highly profitable enterprise with a highly visible brand and market presence and hope that these chapter 11 cases will provide the breathing room necessary for a successful restructuring of the capital structure.

IV.

FACTS IN SUPPORT OF FIRST DAY MOTIONS AND APPLICATIONS

25. Concurrently with the filing of their chapter 11 petitions, the Debtors have filed the First Day Motions. The Debtors request that each of the First Day Motions described below be granted, as each request constitutes a critical element in achieving the successful rehabilitation and reorganization of the Debtors for the benefit of all parties in interest.

A. Motion of Debtors Pursuant to Federal Rule of Bankruptcy Procedure 1015(b) for Order Authorizing Joint Administration of Cases

26. The Debtors seek the joint administration of their chapter 11 cases for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

27. Joint administration of the Debtors’ cases will promote the economical, efficient and convenient administration of each of the Debtors’ estates to the benefit of the Debtors, their estates, creditors, and the Court. The Debtors believe it is likely that numerous filings and additional matters, including notices, applications, motions, orders, hearings and other proceedings will be made, issued, or convened in these cases. Many of these will affect a number or all of the Debtors. Joint administration will obviate the need for duplicative filings by permitting counsel for all parties in interest to (a) use a single caption on the numerous documents that will be filed and served in the Debtors’ reorganization cases, and (b) file many documents in only one of the Debtors’ reorganization cases rather than in multiple cases. This

will save substantial time and expense for this Court, each of the Debtors and their respective estates and protect parties in interest by ensuring that parties affected by each of the Debtors' respective chapter 11 cases will be apprised of the various matters before the Court in those cases. All parties' use of the simplified caption designated in the motion will also eliminate cumbersome and confusing procedures and ensure a uniformity of pleading identification. Joint supervision of the administrative aspects of the chapter 11 cases by the Court and the Office of the United States Trustee will also be simplified.

28. The substantive rights of the respective creditors of each of the Debtors will not be prejudiced by joint administration of the Debtors' cases. The relief requested in the motion is purely procedural. All schedules of assets and liabilities, statements of financial affairs, and proofs of claim will be captioned and filed in each of the Debtors' respective, separate cases, as appropriate. The motion does not request substantive consolidation of the cases.

29. I believe that granting the relief requested in the motion is in the best interest of the Debtors, their estates and all parties in interest.

B. Motion of the Debtors for Entry of Interim and Final Orders (A) Authorizing the Use of Cash Collateral, (B) Granting Adequate Protection to Prepetition Lenders and (C) Scheduling a Final Hearing

30. The Debtors seek entry of the Cash Collateral Orders granting the following relief, without limitation: (a) authorizing the Debtors to use Cash Collateral pursuant to sections 361 and 363 of the Bankruptcy Code; (b) approving the form of adequate protection provided to the Secured Lenders pursuant to sections 361, 362, 363 and 364 of the Bankruptcy Code; (c) scheduling a Final Hearing on the Motion to consider entry of the Final Cash Collateral Order; and (d) granting related relief.

The Debtors' Prepetition Secured Credit Facility

31. As mentioned above, on April 20, 2007 the Debtors entered into a Loan and Security Agreement (the "Prepetition Credit Agreement"), among the Debtors, as borrowers, Merrill Lynch Mortgage Capital Inc., as both agent (in such capacity, together with its successors in interest in such capacity, the "Agent") and lender, and Fortress Credit Funding I LP, Fortress Credit Funding III LP, and Fortress Credit Opportunities I, LP ("Fortress," and, together with Merrill Lynch Mortgage Capital Inc. in its capacity as the Agent, "Secured Lenders").

The Debtors' Prepetition Cash Management System

32. Prior to the Petition Date, the Debtors utilized a centralized cash management system (the "Cash Management System") to collect and transfer the funds generated by the collective operations of the Debtors and to disburse funds to satisfy their obligations. At present, the Cash Management System funnels substantially all Customer Loan Account payments into blocked accounts (the "Blocked Accounts") at various banks (the "Blocked Account Banks").¹ Only the Secured Lenders have access to the Blocked Accounts.

33. The funds deposited into the Blocked Accounts are automatically swept into a collection account (the "Collection Account") maintained by the Agent. In addition, periodically, the Debtors manually deposit Customer Loan Account payments that were deposited at banks other than the Blocked Account Banks into the Collection Account. From the Collection Account, funds needed to pay employees, make periodic debt obligation payments, pay vendors and meet operational obligations are transferred from the Collection Account by the

¹ The Blocked Accounts are as follows: (i) Branch Banking and Trust Company, account number 5145163732; (ii) SunTrust Banks, Inc., account number 1500638638; (iii) Wachovia Bank, N.A., account number 2000044332402; (iv) Wachovia Bank, N.A., account number 2000042957009; (v) Wachovia Bank, N.A., account number 2000016331729; (vi) Wachovia Bank, N.A. account number 2000141095176 and (vii) US Bank N.A., account number 199380133926.

Secured Lenders into a separate designated disbursement account after the Debtors request a disbursement and provide the Agent with certain documentation. Only the Secured Lenders have access to the funds in the Collection Account.

34. Subject to authorization to use Cash Collateral as requested, the Debtors have concurrently filed a motion (the “Cash Management Motion”) requesting authorization to continue to utilize their Cash Management System, as modified, to enable the Debtors to use the Cash Collateral. Accordingly, in the Cash Management Motion, the Debtors have requested that all available funds currently held in the Blocked Accounts and all funds that are received into the Blocked Accounts on or after the Petition Date be automatically transferred on a daily basis into the Debtors’ primary operating account, which is account number 1500638232 at SunTrust (the “Master Finance Account”), rather than the Collection Account.

The Cash Collateral

35. The proceeds of the Debtors’ prepetition loan receivables (the “Prepetition Receivables”) constitute “cash collateral,” as such term is defined in Bankruptcy Code section 363(a) and are subject to the security interest of the Secured Lenders. For purposes of the Cash Collateral motion, the following constitute the cash collateral (the “Cash Collateral”) of the Secured Lenders within the meaning of Bankruptcy Code section 363(a): (a) all cash held by the Debtors², (b) the Prepetition Receivables, and (c) all proceeds of the Prepetition Receivables.

² The Debtors note that they believe the Secured Lenders have failed to perfect their Security interests in the cash held by the Debtors in the Master Finance Account as well as account 003344877413 at Bank of America, account 5145509132 at BB&T, and account 2000016300242 at Wachovia. To the extent these security interests are not perfected, the Debtors preserve all rights and arguments that this money is not to be considered cash collateral.

The Debtors Require Use of the Cash Collateral

36. In the normal course of business, the Debtors use cash on hand and cash flow from operations to fund their businesses, which is the provision of Customer Loans. Additionally, the Debtors require the use of Cash Collateral for working capital, capital expenditures and for other general corporate purposes. An inability to use these funds during the chapter 11 cases would require an immediate cessation of the Debtors' business operations. The Debtors must use the Cash Collateral to, among other things, continue the operation of their businesses, maintain business relationships with customers, vendors and suppliers, pay employees and satisfy other working capital and operational needs — all of which are necessary to preserve and maintain the Debtors' going-concern value and, ultimately, effectuate a successful reorganization.

37. Without access to Cash Collateral, the Debtors will be forced to begin an immediate wind down of their businesses. The Debtors will be forced to take dramatic action, including calling substantially all outstanding Customer Loans as they come due in the next thirty (30) days. The Debtors' business involves writing loans to customers which are secured by a first lien on the title of the customer's automobile. Approximately eighty-three percent (83%) of the Debtors' loan portfolio consists of thirty (30) day loans. Under normal circumstances the customer will be allowed to make an interest payment and renew the Customer Loan at the expiration of the loan period, extending the Customer Loan for an additional thirty (30) day period.³ Without the ability to renew the Customer Loans, customers will be required to pay the Customer Loans in full within the next 30 days creating a hardship for the Debtors' 180,000 customers. Many customers will likely be unable to repay the Consumer Loans within

the next 30 days, and approximately 180,000 cars will be subject to repossession within the next thirty (30) days.

38. In addition to the Debtors' inability to renew the Customer Loans if the Debtors are forced to attempt to repay the Prepetition Credit Agreement immediately, the Debtors themselves will suffer immediate and irreparable harm. The Debtors employ approximately 1,800 employees throughout 8 states in 553 stores. Without ongoing access to the Cash Collateral, the Debtors will likely have no choice but to cease operations, resulting in the loss of employment for all 1,800 employees.

39. The Debtors have been unable to secure reasonable proposals to refinance the Prepetition Credit Agreement. At this time, the Debtors lack a source of sufficient funds other than the Cash Collateral with which to effectuate a successful chapter 11 reorganization. The Debtors' ability to operate their business and maximize the value of their assets for the benefit of creditors, including the Secured Lenders, is dependent on their ability to use the Cash Collateral.

40. To maintain the required use of the Cash Collateral, and as described more fully in the Cash Collateral Motion, the Debtors are offering to provide the Secured Lenders with the following forms of adequate protection: (a) current cash payment of non-default rate interest, fees and expenses; (b) superpriority administrative claims; and (c) a continuing lien on postpetition generated Cash Collateral (collectively, the "Adequate Protection Obligations").

41. In addition to the aforementioned ways the Debtors propose to offer adequate protection to the Secured Lenders, the Secured Lenders are adequately protected because of the

³ The loan terms comply with applicable state laws and regulations and, thus, vary by the state each individual loan originates in.

existence of a substantial equity cushion, i.e., the value of the Prepetition Receivables is far in excess of the amount due the Secured Lenders.

42. The Secured Lenders are owed approximately \$165 million. As of April 20, 2009, the principal face value of the Prepetition Receivables was approximately \$208 million. Thus, the Prepetition Receivables have a face value far in excess of the amount owed to the Secured Lenders. In fact, the market value of the Prepetition Receivables far exceeds their face value and the Debtors recently received an offer to purchase the Prepetition Receivables for an amount in excess of \$260 million.

43. The Debtors recover in excess of 100% of the face value of the Customer Loans. Ultimately, the Customer Loans are secured by the automobiles which the Debtors write the Customer Loans against, but less than ten percent (10%) of the Customer Loans result in involuntary repossessions. The Prepetition Receivables are expected to generate well in excess of \$220 million of revenues. This expected return is due to the fact that the Customer Loans are typically renewed at the end of each month and thereby generate significant additional interest payments beyond the face value of the Prepetition Receivables. The average thirty (30) day loan is typically renewed approximately eight (8) times, providing significant additional interest payments. The expected revenue and principal collections from the Prepetition Receivables should exceed \$300 million, providing adequate protection for the Secured Lenders well beyond 100%.

C. Motion of Debtors for Order Authorizing (i) Continued Use of Existing Cash Management System, (ii) Maintenance of Existing Bank Accounts, (iii) Continued Use of Checks and Business Forms, and (iv) Waiving Investment and Deposit Requirements of 11 U.S.C. §345(b)

44. Prior to the Petition Date and in the ordinary course of business, certain of the Debtors maintained approximately seventy-one (71) bank accounts (collectively, the "Accounts") with: (a) American Banking Co.; (b) Ameris Bank; (c) Associated Banc-Corp; (d) Bank of America, N.A.; (e) Bank of Milan; (f) Branch Banking and Trust Company; (g) Carolina Bank; (h) Community Bank & Trust; (i) Community Bank of Pickens County; (j) Compass Bancshares, Inc.; (k) The Exchange Bank of South Carolina, Inc.; (l) First Citizens Bank; (m) First Tennessee Bank National Association; (n) Frontier Bank; (o) National Bank of Tennessee; (p) Northeast Georgia Bank; (q) Park Avenue Bank; (r) Planters Bank; (s) Queensborough National Bank and Trust Company; (t) SunTrust Banks, Inc.; (u) US Bank N.A.; (v) Wachovia Bank, N.A. (w) Wells Fargo Bank N.A.; and (x) West Central Georgia Bank (collectively, the "Banks"). The Accounts and account numbers are set forth on Exhibit A hereto.

45. The Debtors manage their cash receipts, transfers and disbursements for the Debtors' entire corporate enterprise through the Accounts. The Debtors routinely deposit, withdraw, and otherwise transfer funds to, from, and between the Accounts by various methods including check, wire transfer, automated clearing house transfer and electronic funds transfer. Approximately \$3,000,000 to \$5,000,000 flows through the Debtors' cash system on a daily basis. While certain of the Banks may not be included on the authorized deposit list (the "Unauthorized Banks") of the United States Trustee in the jurisdiction where they are located, it is the Debtors' belief that the Banks at which the Debtors maintain the Accounts are financially stable institutions with FDIC or FSLIC insurance or other appropriate government-guaranteed deposit protection insurance.

46. Prior to the Petition Date, the Debtors, in connection with the terms of the Loan Documents, in the ordinary course of business and in accordance with certain agreements (the "Service Documentation") with the Banks and the Secured Lenders, used their established Cash Management System to collect, transfer, and disburse funds generated by their operations and to accurately record all such transactions as they are made. The Debtors also utilize the Cash Management System to make intercompany transfers. The principal components of the Cash Management System are described in a chart attached as Exhibit B.

47. In substance, TitleMax's customers remit payment on their consumer loans to TitleMax's local store locations in cash, Western Union, by money order, by cashiers check or authorize TitleMax to collect payments from various debit card companies. Substantially all of these payments are deposited into various Blocked Accounts that, pursuant to the terms of the Debtors' prepetition loan agreement with the Secured Lender, are subject to account control agreements among the Debtors, the Agent for the Secured Lenders and the respective Blocked Account Banks. Only the Agent is able to access the funds in the Blocked Accounts.

48. Funds from the Blocked Accounts, are periodically swept into the Collection Accounts maintained in the name of the Agent for the Secured Lenders. In addition, periodically, the Debtors manually deposit any Customer Loan payments they have received that were not immediately placed in Blocked Accounts into the Collection Accounts. From the Collection Accounts, funds needed to pay employees, make periodic debt obligation payments, pay vendors and meet operational obligations are transferred into separate designated disbursement Accounts after the Debtors request a disbursement and provide the Agent with certain documentation. Only the Agent is able to directly access the funds in the Collection Accounts.

49. The Debtors' cash management procedures are ordinary, usual and essential business practices and are similar to those used by other corporate enterprises. The Cash Management System provides significant benefits to the Debtors, including the ability to (a) control corporate funds centrally, (b) ensure availability of funds when necessary, and (c) reduce administrative expenses by facilitating the movement of funds and the development of more timely and accurate balance and presentment information.

50. Prior to the Petition Date, the Debtors, in the ordinary course of business, also used numerous business forms including, but not limited to, letterhead, purchase orders, invoices, contracts and checks (collectively, the "Business Forms"). The Debtors have a supply of these forms on hand. It would be expensive and wasteful to destroy all these forms and create new ones with the "Debtor in Possession" legend.

Guidelines of the United States Trustee's Office

51. The Office of the United States Trustee for the Southern District of Georgia has established certain operating guidelines for debtors in possession to supervise the administration of chapter 11 cases, including changes to the debtor's prepetition cash management system. These guidelines require debtors to, among other things, establish: (a) debtor in possession accounts for all estate monies required for the payment of taxes (including payroll taxes); (b) close all existing Bank Accounts; and (c) open new debtor in possession accounts at banks listed on the United States Trustee's list of Authorized Depositories, maintain a separate debtor in possession accounts for cash collateral, and obtain checks that bear the designation "debtor in possession" referencing the bankruptcy case number and the type of Accounts on such checks.

52. The Debtors' business and financial affairs are complex. They require the collection, disbursement and transfer of funds through several Bank Accounts. The Debtors employ approximately 1,800 employees throughout eight states in 553 stores and, currently, have a decentralized Accounts payable system with various Accounts. Enforcement of the guidelines of the United States Trustee's Office in these chapter 11 cases would significantly disrupt the Debtors' ordinary financial operations. The Debtors contract with several third-party vendors, service providers and trade creditors to fulfill customer obligations. Further, the Debtors' primary business operations require that the Debtors issue checks to large numbers of customers on a daily basis due to each Customer Loan originated that day. Thus, any interruption in payments to those third-parties could jeopardize the Debtors' efforts to reorganize.

Relief Requested

53. The Debtors seek entry of an order:

- Authorizing the Debtors to continue to use their integrated Cash Management System, subject to any relief granted by an order of this Court relating thereto, including the following:
 - The continued use of the existing Accounts identified above with the same names and account numbers, including those established with the Unauthorized Banks, as existed immediately prior to the chapter 11 cases (with the option of streamlining their Cash Management System by closing or consolidating Accounts) or, alternatively, to create a similar Cash Management System (or a more streamlined Cash Management System with fewer Accounts) at an alternative banking institution;⁴
 - The ability of the Debtors to deposit funds into and withdraw funds from any existing and new accounts

⁴ In the event that the Debtors are unable to, or decide not to, continue their relationship with their current banking institutions, the Debtors seek authority to create a similar Cash Management System (or a more streamlined management system with fewer Accounts) at an alternative banking institution.

(subject to available funds in the applicable accounts or, in the case of a zero balance account, in the applicable linked funding accounts) by all usual means, including, but not limited to, checks, wire transfers, electronic funds transfers and other debits;

- The ability of the Debtors to otherwise treat the Accounts, along with any accounts opened postpetition, for all purposes as debtor in possession accounts;
- The waiver of any requirements to establish separate accounts for cash collateral and/or tax payments;
- Permitting all institutions with whom the Debtors maintain or establish deposit accounts or investment accounts to maintain, service and administer such deposit accounts or investment accounts in accordance with applicable non-bankruptcy law and in accordance with the Service Documentation between the applicable institution and the applicable Debtor or Debtors relating to such accounts, including by rescinding any administrative or debit freeze imposed with respect to the accounts as a consequence of the filing of the petitions commencing these bankruptcy cases, subject to paragraph 17 below; and
- Permitting all institutions with which the Debtors maintain or establish deposit accounts or investment accounts to administer all such accounts and provide cash management services in connection therewith in the ordinary course of business even if such activities result in a postpetition extension of credit (for example, by creating an overdraft in a zero balance or other accounts) that under the Service Documentation is secured by any assets of the Debtors, such as the Deposit Accounts, Blocked Accounts or Collection Accounts or other accounts at such institution;
- Authorizing the Debtors to continue to use the Debtors' existing business forms without alteration or change, provided however, that the Debtors will: (i) immediately begin issuing checks for Customer Loans imprinted with the legend "DIP"; and (ii) immediately begin issuing checks related to accounts payable either stamped or imprinted with the legend "Debtor in Possession";
- Authorizing and directing the Blocked Accounts Banks with which the Debtors hold Blocked Accounts to commence

immediately automatic transfers on a daily basis of all available funds currently in or received into its Blocked Accounts maintained in the Debtors' names, to the Debtors' Master Finance Account (as defined below), without the need to comply with any lockbox, blocked account or account control agreement or any preexisting transfer arrangement concerning said accounts;

- Authorizing and directing all Banks to receive, process, honor and pay any and all checks or electronic transfers related to the extension of credit or recordation of title with respect to Consumer Loans (each a "Consumer Loan Check"), whether presented before or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments;
- Authorizing the Debtors to continue to make intercompany transfers among the Accounts in the ordinary course of their business and to provide administrative priority status to any intercompany claims arising from postpetition intercompany transactions pursuant to the Cash Management System; and
- Authorizing the waiver of the Bankruptcy Code section 345(b) as to the Debtors' Cash Management System (or a streamlined alternative thereto) so that the Debtors can continue to use their existing Cash Management System (or a streamlined alternative thereto), and authorizing all applicable Banks to accept and hold or invest such funds in accordance therewith.

54. Prior to the effectiveness of the rescission of the debit or administrative freeze by any of the Banks as to any of the Accounts, the Debtors shall (a) provide each of the Banks with a list of all the unpaid checks or debits (the "Prepetition Items") which the Debtors believe were all the items or debits issued or signed prepetition and which are not the subject of an order allowing payment of the specific Prepetition Item, and (b) take all necessary and appropriate steps in accordance with the applicable institution's requirements (including the payment of any applicable fees to the relevant institution) to place a formal "stop payment" order on each Prepetition Item except those as to which the Debtors obtain authority from the Court to pay. Any Bank or other depository institution receiving an instruction to stop payment on any Prepetition Item will be authorized to rely thereon and shall have no liability to any person or

entity for relying on such information. If the Debtors fail to place a formal stop payment order on any Prepetition Item and the item or debit is honored by the applicable institution, such institution will have no liability resulting from the payment of such item or debit, notwithstanding that the same might be considered to be an unauthorized postpetition transfer.

55. As described in greater detail below, the Debtors submit that the aforementioned relief will help to ensure the Debtors' orderly entry into and administration in chapter 11 and avoid many of the possible disruptions and distractions that could divert the Debtors' attention from more pressing matters during the initial days of these chapter 11 cases.

Continued Use of the Debtors' Cash Management System and Bank Accounts, as Modified, is in the Best Interest of the Estates and Will Not Prejudice Parties in Interest

56. The Debtors seek authority to continue to use their current Cash Management System (or a streamlined alternative thereto with fewer accounts at the Banks or an alternative institution) as modified by the relief requested, including the continued use, in the Debtors' discretion, of their existing Accounts with the same names and account numbers as existed immediately prior to the Petition Date. The Debtors also seek authority to deposit funds in and withdraw funds from the Accounts by all usual means, including, but not limited to, checks, wire transfers, electronic funds transfers and other debits, and to otherwise treat the prepetition Accounts (and any accounts opened postpetition) for all purposes as debtor in possession Accounts. The Debtors also request that the Court waive any requirement to establish separate Accounts for cash collateral and/or tax payments.

57. Any disruption of the Debtors' cash management procedures could adversely impact the Debtors' operations. Therefore, it is important that the Debtors be permitted, in their discretion, to: (a) continue using their existing Cash Management System (or a streamlined

alternative thereto) and Accounts as modified by the relief requested, (b) consolidate the management of their cash, and (c) transfer monies from entity to entity as needed and in the amounts necessary to continue the operation of the business pursuant to existing cash management procedures.

58. The Cash Management System constitutes a customary and essential business practice. The use of such a system is attributable to the numerous benefits it provides, including the ability to (a) control and monitor corporate funds, (b) ensure cash availability, and (c) reduce administrative expenses by facilitating the movement of funds and the development of timely and accurate cash balance and presentment information. Moreover, because the Debtors have the capability to draw the necessary distinctions between pre- and postpetition obligations and payments without closing the prepetition Accounts and opening new ones, the Debtors' creditors will not be prejudiced.

59. Preserving "business as usual" and avoiding the unnecessary distractions that inevitably would be associated with any substantial disruption of the Cash Management System preserving the existing Accounts will facilitate the Debtors' stabilization of their postpetition business operations. Thus, under the circumstances, the maintenance of the Cash Management System (or a streamlined version thereof) is not only essential but also in the best interests of the Debtors' estates. Accordingly, the Court should authorize the Debtors' continued use of the Cash Management System (or a streamlined alternative thereto) and Accounts.

60. Because the Debtors do not have access to any of the Blocked Accounts or the Collection Accounts, they would be unable to access funds that exist in the Blocked Accounts or Collection Accounts today or funds deposited the Blocked Accounts or Collection Accounts after

the Petition Date. Therefore, in connection with the Debtors' proposed use of the Secured Lenders' cash collateral, the Debtors request that the Court authorize and direct the Blocked Account Banks with which the Debtors maintain a Blocked Account to commence the automatic transfer of all available funds from the Blocked Accounts to the Debtors' Master Finance Account at SunTrust Bank, account number 1500638232, on a daily basis. The Debtors further request that the order provide that the Blocked Account Banks not have any liability to any party for its compliance therewith.

61. The automatic transfer of cash collateral is necessary to implement the relief requested in the Debtors' cash collateral motion and will not prejudice the Secured Lenders. Bankruptcy Code section 362 prohibits the Secured Lenders from accessing the funds in the Blocked Accounts and applying such funds to repay the prepetition obligation. Moreover, the Secured Lenders are currently oversecured, and the cash collateral financing motion, if granted, will provide the Secured Lenders with adequate protection for the Debtors' use of such cash collateral. Finally, the Debtors will be subject to various restrictions on the use of cash collateral, as set forth in the budget in the cash collateral motion.

62. The Debtors further request that the Court authorize the Banks with which the Debtors maintain the Accounts to continue to maintain, service and administer such Accounts in accordance with applicable Service Documentation relating thereto, except that the Debtors shall provide the Banks with the stop payment notices with regard to any unpaid Prepetition Items that the Debtors are not otherwise authorized to pay (as described above).

The Debtors Should be Authorized to Use Existing Business Forms

63. In the ordinary course of business, the Debtors use a variety of checks and other business forms. To minimize the expense to the estates, the Debtors request authority to continue to use all correspondence and business forms (including, but not limited to, letterhead, purchase orders, invoices, etc.) as such forms were in existence immediately before the Petition Date, without reference to the Debtors' status as debtors in possession, provided, however, the Debtors will immediately begin issuing: (a) checks related to the extension of Customer Loans imprinted with the legend "DIP"; and (b) checks related to Accounts payable imprinted with the legend "Debtor in Possession".

64. By virtue of the nature and scope of the Debtors' business operations and the large number of customers with whom the Debtors deal on a regular basis, it is important that the Debtors be permitted to continue to use their existing business forms without alteration or change (except as requested by the Debtors). Because parties doing business with the Debtors will receive notice of these cases or receive checks indicating the Debtors status as debtors in possession and therefore be advised of the Debtors' status as a debtor in possession, changing business forms at this juncture is unnecessary and unduly burdensome.

Claims Arising From Postpetition Intercompany Transfers Among the
Accounts Should be Afforded Administrative Expense Status

65. As described above, under the Cash Management System, funds generated by the business operations of each participating Debtor flow into various centrally-maintained Accounts. Prior to the Petition Date, the Debtors engaged in certain intercompany financial transactions in the ordinary course of their businesses (collectively, the "Intercompany Transactions"). These Intercompany Transactions are recorded on the applicable Debtor's

general ledger as an intercompany payable, receivable or loan. All of these Intercompany Transactions are made between and among the Debtors in the ordinary course of the Debtors' business as part of their consolidated Cash Management System. If the Intercompany Transactions were to be discontinued, the Cash Management System and related administrative controls would be disrupted to the detriment of the Debtors and their creditors.

66. At any given time, there may be balances due and owing between certain of the Debtors. These balances represent extensions of intercompany credit made in the ordinary course of business that are an essential component of the Cash Management System. The Debtors maintain records of these transfers of cash and can ascertain, trace and account for these Intercompany Transactions. The Debtors, moreover, will continue to maintain such records, including records of all current intercompany accounts receivable and payable.

67. To ensure each individual Debtor will not, at the expense of its creditors, fund the operations of another entity, the Debtors respectfully request that, all intercompany claims by one Debtor against another Debtor arising after the Petition Date as a result of ordinary course intercompany transactions through the Cash Management System (collectively, "Intercompany Claims"), be accorded administrative priority expense status. If Intercompany Claims are accorded administrative priority expense status, each entity utilizing funds flowing through the Cash Management System should continue to bear ultimate repayment responsibility for such ordinary course transactions.

Waiver of Section 345(b) Requirements is Appropriate

68. The Debtors request a waiver of the application of the requirements of Bankruptcy Code section 345. Funds do not sit idly in the Accounts. Instead, they are

transferred among the numerous Accounts maintained by the Debtors. Moreover, the Debtors are sophisticated companies with the capability to rapidly transfer funds to ensure the safety of those funds while providing the Debtors with a significant return on idle cash. In light of this fact and the safety of the investment vehicles that the Debtors propose to utilize to invest excess cash, the Debtors believe that cause exists under Bankruptcy Code section 345(b) to allow the Debtors to continue to invest funds and use the Accounts consistent with their prepetition practice.

69. The Debtors further request that applicable institutions be authorized to accept and hold or invest the Debtors' funds transferred to the Accounts (or other investment accounts consistent with the Debtors' prepetition investment practices) without the need for any additional bond or security not otherwise provided prior to the Petition Date.

D. Motion of Debtors Pursuant to 11 U.S.C. §§ 105(a) and 363(b) for Order Authorizing Payment of Prepetition (I) Wages, Salaries and Other Compensation of Employees and Subcontractors, (II) Employee Medical and Similar Benefits, (III) Reimbursable Employee Expenses, and (IV) Other Miscellaneous Employee Expenses and Benefits

70. On a consolidated basis, the Debtors employ almost 1800 employees - 1101 employees are paid hourly and 688 are salaried employees (collectively, the "Employees"). In addition, the Debtors' current workforce includes certain independent contract personnel (the "Contract Employees"). None of the Debtors' Employees or Contract Employees are subject to a collective bargaining agreement.

71. Prior to the Petition Date and in the ordinary course of the Debtors' business, the Debtors provided compensation, reimbursement of business expenses, employee benefits and other miscellaneous consideration to the Employees and Contract Employees.

72. The Debtors' Employees and Contract Employees are the lifeblood of their business. The Debtors rely upon the expertise of their store managers and other store employees to lend appropriate amounts to customers based on the value of the vehicle. These employees service customers' needs and provide cash for the customer in a friendly, safe and respectful environment. Store managers and customer service representatives are responsible for appraising vehicles at the store at the time of the transaction. They are supervised by store managers, assistant managers, overstaff managers and manager trainees who are in turn supervised by district managers who are assigned between 6 and 12 stores each. District managers, in turn, are supervised by regional managers who are generally assigned from 4 to 6 districts each. Regional managers are supervised by vice presidents who generally oversee approximately 6 regions each. The Employees' skills and their specialized knowledge and understanding of the Debtors' business are essential to the Debtors' continuing operations and ability to successfully reorganize.

73. In addition, although the Debtors rely on temporary labor from time to time, the Contract Employees have worked for the Debtors for relatively extended periods of time and provide critical services during peak business periods. Like the Employees, the Contract Employees often have specialized knowledge and cannot be easily replaced with new, unskilled temporary workers.

Employees' Unpaid Wages, Salaries, Bonuses and Other Compensation

The Debtors' Payroll Obligations

74. The Debtors seek an order authorizing the Debtors to honor all of their outstanding prepetition payroll obligations. In the ordinary course of business, the Debtors pays

their Employees one week in arrears every two weeks. The most recent payroll for Employees was paid on April 15, 2009, and covered Employee compensation for all Employees for the period of March 26, 2009 through April 8, 2009. The Debtors' next scheduled payroll on April 29, 2009 will be for the period of April 9, 2009 through April 22, 2009.

75. In addition, the Debtors pay their assistant, store, district and regional managers monthly performance bonuses. The next bonus is scheduled to be paid May 13, 2009 which is based upon individual stores' performance in April 2009. Generally, monthly performance bonuses constitute approximately sixty percent (60%) of employees' total monthly compensation and are crucial to most employees' ability to meet their living expenses in any given month.

76. Finally, store managers and other employees of the Debtors receive an annual bonus based upon the volume of business they originate. As with monthly bonuses, these bonuses constitute a significant amount of these employees' overall compensation. These bonuses have been paid for the 2008 compensation year.

77. In sum, the Debtors estimate that approximately \$2,304,547.00 in unpaid salary, wages and other compensation is owing to their Employees as of the next pay date of April 29, 2009 (approximately \$1,358,963.00 in wages is owed to the salaried Employees and approximately \$945,584.00 in wages is owed to the hourly Employees) and \$733,279.00 in unpaid bonuses is owing for May 2009. Given the critical role of the Employees in the Debtors' business operations, the Debtors seek authority to honor their salary, wage and bonus obligations by paying, in the ordinary course, any prepetition amounts owed to the Employees for services within 180 days of the Petition Date. The Debtors believe there will be approximately 4 to 7

employees that will be owed more than the \$10,950 priority limit on account of prepetition salaries or wages under Bankruptcy Code section 507(a)(4) (the “Priority Limit”).

78. Given the significant hardship that may result from not paying these employees and contract employees the prepetition wages and other compensation they are owed above the Priority Limit, the small number of employees whose prepetition wages exceed the Priority Limit and the relatively small amounts such employees are owed that exceed the Priority Limit, the Debtors respectfully request that they be permitted to pay such employees in full.

a. Employees’ Reimbursable Business Expenses

79. Prior to the Petition Date and in the ordinary course of business, the Debtors reimbursed Employees for certain business expenses incurred in the scope of their employment, including, without limitation, expenses for business travel, such as for mileage, lodging and parking (collectively, the “Reimbursable Expenses”). All of the Reimbursable Expenses were incurred on the Debtors’ behalf in connection with employment by the Debtors and in reliance upon the understanding that such expenses would be reimbursed.

80. The Debtors estimate that, as of the Petition Date, the total amount owed by the Debtors for Reimbursable Expenses is approximately \$11,083.00. Accordingly, the Debtors seek authority to honor the Debtors’ Reimbursable Expense obligations by paying, in the ordinary course, any prepetition Reimbursable Expenses owed to their Employees.

b. Employee Benefits

81. In the ordinary course of the Debtors’ business, and as is customary for most companies, the Debtors provide their Employees with various benefits (collectively, the “Employee Benefit Programs”). The Debtors seek authority to pay and/or honor their unpaid

prepetition obligations under the Employee Benefit Programs that arose from services rendered within 180 days before the Petition Date (the “Prepetition Benefits”). The Employee Benefit Programs and corresponding unpaid Prepetition Benefits are described below:

c. Health Reimbursement Program

82. The Debtors do not provide group insurance but, rather, they reimburse eligible Employees for health insurance premiums paid by the Employee for an individual plan or for premium paid by a spouse for an insurance plan on which the Employee is a named insured.

83. In addition, the Debtors’ Employees may defer portions of their pre-tax pay to one of two flexible spending accounts the “HealthCare Spending Account” and the “Dependent Care Spending Account.” Under the Healthcare Spending Account, employees may defer a percent or flat dollar amount (pre-tax) of their biweekly pay up to \$2,000 maximum for each calendar year. Under the Dependent Care Spending Account, Employees may defer a percent or flat dollar amount (pre-tax) of their biweekly pay up to \$5,000 maximum for each calendar year.

84. The Debtors estimate that they reimburse their Employees in aggregate approximately \$100,000 per month but this amount could fluctuate any given month. The Debtors seek authority to reimburse in the ordinary course of business, premiums relating to the foregoing medical benefits that arouse from services rendered within 180 days prior to the Petition Date (the “Prepetition Health Benefits”).

d. 401(k) Plan

85. The Debtors offer all Employees⁵ an opportunity to participate in a 401(k) plan (the “401(k) Plan”). Approximately 550 current Employees participate in the 401(k) Plan. The Debtors make matching contributions 50% per dollar up to 6% of the participating Employees’ salaries and wages. The Debtors fund the Employees’ 401(k) contribution each pay period.

86. As of the Petition Date, the Debtors have not funded its participating Employees’ 401(k) contributions for the payroll period ending April 29, 2009. As described below, the Debtors deduct these amounts from paychecks of the Employees. The Debtors believe that such 401(k) contributions total approximately \$50,000. The Debtors seek authority to pay any such of the Debtors’ accrued but unpaid prepetition 401(k) contributions.

e. Workers’ Compensation

87. The Debtors maintain a premium-based workers’ compensation insurance plan issued by AIG, with a premium of approximately \$53,000 every 8 months.

88. The Debtors seek authority to continue to pay, in the ordinary course of business, any of the outstanding unpaid premiums, deductibles, and prepetition claims relating to workers’ compensation that arose before the Petition Date.

f. Payroll Taxes and Other Withheld Amounts

89. The Debtors deduct flex spending amounts and 401(k) deductions and other miscellaneous amounts from their Employees’ paychecks (collectively, the “Employee Deductions”). The Employee Deductions comprise property of the Debtors’ Employees and are forwarded by the Debtors to appropriate third-party recipients at varying times.

90. The Debtors are required by law to withhold from an Employee's wages amounts related to federal, state and local income taxes, social security and Medicare taxes, garnishments, child support payments, etc. (together with the Employee Deductions, the "Payroll Taxes") and remit the same to the appropriate taxing authorities (collectively, the "Taxing Authorities"). The Debtors' Payroll Taxes, including both the employee and the employer portion, for a typical payroll total approximately \$521,000. It is likely that funds have been deducted from Employee wages but have not yet been forwarded to the appropriate third-party recipients. Accordingly, the Debtors seek authority to pay and/or remit to the applicable Taxing Authorities up to \$521,000 in Payroll Taxes attributable to the period before the Petition Date. Absent such authority, the Debtors expose their officers and directors to personal liability, which could be highly disruptive to the Debtors' reorganization efforts.

g. Paid Vacation or "Personal-Time-Off" Policy

91. The Debtors offer paid vacation or "personal time off" ("PTO") to eligible Employees. Employees earn 3.69 hours of PTO per pay period, which totals 12 PTO days per year. They may carry over up to 48 hours each year. All of the Debtors' PTO policies are referred to collectively as the "PTO Policy." The Debtors do not pay any unused PTO other than in Illinois, where it is required by state law.

92. The Debtors estimate that the accrued, outstanding amount of unused time under the PTO Policy in Illinois, if it were payable in cash, is approximately \$11,000 as of the Petition Date. The Debtors seek authorization, in its sole discretion, for the Debtors to continue honoring the PTO Policy and to continue their practice of making cash payments for unused PTO that has accrued prepetition where required by law. In addition, the Debtors seek authorization, in their

⁵ Employees are eligible to enroll in the 401(k) Plan if they have been employed one full calendar year.

sole discretion, for the Debtors to make cash payments for unused PTO that has accrued postpetition, but only upon the termination of an Employee and only to the extent that the Debtors would have done under the PTO Policy before the Petition Date.

h. Administrative Service Providers

93. The Debtors utilize certain third-party providers to administer employee benefit plans and payroll services (the “Administrative Service Providers”). The continued support of the Administrative Service Providers is crucial to the Debtors’ ability to maintain accurate and meaningful books and records, including, but not limited to, books and records reflecting the Debtors’ employee benefit and payroll obligations. The Debtors estimate that the average monthly cost of these services is approximately \$10,000. To the extent that any such amounts remain unpaid or may be characterized as prepetition obligations, the Debtors seek to be authorized, but not directed, to pay such amounts.

i. Contract/Temporary Employees

94. At the present time, the Debtors use the services of certain Contract Employees. Although Contract Employees are considered independent contractors as opposed to actual employees for the purposes of applying certain federal, state or local employment, labor, tax and other laws and regulations, their livelihood is no less dependent on the Debtors, nor are their services any less an integral component of the Debtors' businesses than the Debtors' non-contract employees. The Debtors depend on the services provided by the Contract Employees to sustain their ongoing business

95. The Debtors estimate that they owe approximately \$10,000 to all of their Contract Employees in the aggregate for prepetition services. Given the critical role of the Contract

Employees in the Debtors' business operations, the Debtors seek authority to honor their wage and withholding obligations by paying, in the ordinary course, any prepetition amounts owed to Contract Employees for services provided prior to the Petition Date.

j. Miscellaneous Employee-Related Obligations

96. The Debtors may determine that there are additional de minimis prepetition obligations, which have not been identified in the Motion. Consequently, the Debtors request authority to pay any such additional obligations up to an aggregate amount of \$1,500 upon five (5) business days' prior written notice to counsel to any statutory creditors' committee appointed herein, counsel to the Secured Lenders (or such lenders representative under the applicable loan documents), and the Office of the United States Trustee setting forth the nature and amount of the additional obligation sought to be paid. If an objection is interposed within such five-day period, and such objection is not resolved consensually, the Debtors will seek authority from this Court to make such payment. The Debtors also reserve the right to seek authority from the Court to pay any obligations in excess of the above-referenced limit.

E. Motion of the Debtors for Interim and Final Orders (I) Prohibiting Utilities from Altering, Refusing or Discontinuing Service, (II) Deeming the Utility Companies Adequately Assured of Future Performance, and (III) Establishing Procedures for Determining Requests for Additional Adequate Assurance

97. The Debtors receive electricity, power, gas, telephone, internet, water, sewer, and trash removal services (the "Utility Services") from approximately 450 utilities (the "Utility Companies").

98. At all relevant times, the Debtors have attempted to remain current with regard to their utility bills. Furthermore, to the best of the Debtors' knowledge, the Debtors are current on

all amounts owing to the Utility Companies, other than payment interruptions that may be caused by the commencement of these chapter 11 cases.

99. Continued and uninterrupted Utility Services are vital to the Debtors ability to sustain their operations during these chapter 11 cases. The inability to ensure sustained Utility Services would jeopardize the Debtors ability to reorganize.

The Debtors Ability to Meet Their Postpetition Obligations to Utility Companies

100. The Debtors estimate that their cost for the Utility Services during the thirty (30) days after the Petition Date will be approximately \$700,000.⁶

101. Assuming that the relief requested in the other first day motions is granted, the Debtors will have adequate cash on hand to meet all of its necessary postpetition operating expenses on a current basis, including payments to the Utility Companies. The Debtors are, by separate motion, seeking to maintain access to cash collateral financing (the “Cash Collateral”) to make such payments.

102. The Debtors seek the entry of an interim and final order (the “Interim Order” and the “Final Order”), (a) prohibiting utilities from altering, refusing, or discontinuing service to the Debtors, (b) deeming the utility companies adequately assured of future performance by the Debtors; and (c) establishing procedures for determining requests to the Debtors for additional adequate assurance.

103. The Debtors propose to deposit into an interest-bearing, newly-created, segregated account (the “Utility Deposit Account”) a sum equal to approximately \$700,000,

⁶ Any inconsistency between this figure and the one originally provided in the motion is due to the inadvertent exclusion of telephone services from the original estimate.

which is calculated based on the average monthly payments made by the Debtors to the Utility Companies. The Debtors propose to make such deposit within twenty (20) days of the Petition Date. The funds in the Utility Deposit Account will remain segregated, pending further order of this Court, for the purpose of providing each Utility Company with adequate assurance of payment of its postpetition date services to the Debtors. Such funds will, however, be subject to the liens on the Cash Collateral, until disbursed to the Utility Companies.

104. The Debtors expect to operate at a profit postpetition, and thus, will have funds available for payment to the Utility Companies. Further, the Debtors expect to have access to the Cash Collateral, which means that they will have liquidity sufficient to keep its utility obligations current.

105. Due to the substantial number of Utility Companies the Debtors maintain accounts with, setting up individual deposit accounts with each Utility Company would be extremely burdensome if not impossible to accomplish in a timely manner. The Debtors immediate focus should be on the more important tasks related to overseeing their reorganization. Thus, the Debtors believe that the single Utility Deposit Account will both provide adequate protection for the Utility Companies while at the same time eliminating what would otherwise be a tremendous administrative hurdle for the Debtors. The Debtors submit that the Utility Deposit Account, in conjunction with the Debtors' ability to pay for future Utility Services in the ordinary course of business, constitutes adequate assurance of payment to the Utility Companies.

106. The Debtors also seeks to establish reasonable procedures (the "Procedures") by which the Utility Companies may request additional adequate assurance of future payment, in the

event that the Utility Companies believe that the Utility Deposit Account does not provide them with satisfactory adequate assurances.

F. Motion of the Debtors for an Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals

107. The Debtors request the entry of an order authorizing and establishing procedures for the compensation and reimbursement of court-approved professionals (the “Professionals”) on a monthly basis, on terms comparable to those procedures established in other large chapter 11 cases filed in this and other Districts. Such an order will streamline the professional compensation process and enable the Court, as well as other parties, to effectively monitor the professional fees incurred in these chapter 11 cases.

Proposed Procedures

108. Pursuant to the requested procedures, each Professional subject to these procedures would be required to present to the Debtors and their counsel, the United States Trustee, the Debtors’ prepetition lenders and any committee (once appointed) a detailed statement of services rendered and expenses incurred by the Professional on a monthly basis. After a 20 day review period, if there is no timely objection, the Debtors will pay eight percent (80%) of the amount of fees incurred for the month, with twenty percent (20%) holdback, and one hundred percent (100%) of disbursements for the month. These payments will remain subject to the Court’s approval as part of the normal interim fee application process approximately every 120 days. In addition, imposition of a twenty percent (20%) holdback is within the range of holdbacks approved by other jurisdictions.

109. More specifically, the Debtors propose that the monthly payment of compensation and reimbursement of expenses of the Professionals be structured as follows:

(a) On or before the last day of the month following the month for which compensation is sought (the “Monthly Statement Date”), each Professional will submit a monthly statement to: (i) the Debtors at TitleMax, 15 Bull Street, Suite 200, Savannah, Georgia 31401 (Attn: Todd Jeffcoat); (ii) counsel to the Debtors, DLA Piper LLP (US), 1251 Avenue of the America, New York, New York 10020 (Attn: Jeremy Johnson) and Gray & Pannell LLP, P.O. Box 8050 (31412), 24 Dayton Street, Suite 1000, Savannah, Georgia 31401 (Attn: Marvin A. Fentress); (iii) counsel to the Debtors’ prepetition lenders; (iv) counsel to any official committee appointed in these cases; and (v) the United States Trustee, 222 West Oglethorpe Avenue, Suite 302, Savannah, Georgia 31401. Each such entity receiving such a statement will have twenty (20) days after the Monthly Statement Date to review the statement.

(b) At the expiration of the twenty (20) day period, the Debtors will promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the disbursements requested in such statement, except such fees or disbursements as to which an objection has been served as provided in paragraph (c) below. Any professional who fails to submit a monthly statement shall be ineligible to receive further payments of fees and expenses until such time as the monthly statement is submitted.

(c) In the event that any of the Debtors, the United States Trustee, the Debtors’ prepetition lenders or the Committee has an objection to the compensation or reimbursement sought in a particular statement, such party shall, within twenty (20) days of the Monthly Statement Date, serve upon the respective professional and the other persons designated to receive monthly statements, a written “Notice of Objection to Fee Statement” setting forth the precise nature of the objection and the amount at issue. Thereafter, the objecting party and the Professional whose statement is object to shall attempt to reach an agreement regarding the correct payment to be made. If the parties are unable to reach an agreement on the objection within twenty (20) days after receipt of such objection, the objecting party may file its objection with the Court and serve such objection on the respective professional and the other parties designated to receive monthly statements parties listed above and the Court shall consider and dispose of the objection at the next interim fee application hearing. The Debtors will be required to pay promptly those fees and disbursements that are not the subject of a Notice of Objection to Fee Statement.

(d) Approximately every 4-6 months, each of the Professionals shall file with the Court and serve on the parties designated to receive monthly statements, on or before the 45th day following

the last day of the compensation period for which compensation is sought, an application for interim Court approval and allowance, pursuant to Bankruptcy Code section 331, of the compensation and reimbursement of expenses requested for the prior four (4) months. Any professional who fails to file an application when due shall be ineligible to receive further interim payments of fees or expenses as provided until such time as the application is submitted.

(e) The pendency of an application for a Court order for compensation or reimbursement of expenses, and the pendency of any Notice of Objection to Fee Statement or other objection, shall not disqualify a Professional from the future payment of compensation or reimbursement of expenses as set forth above. Neither the payment of, nor the failure to pay, in whole or in part, monthly interim compensation and reimbursement shall bind any party-in-interest or this Court with respect to the final allowance of applications for compensation and reimbursement of Professionals.

110. Except as otherwise ordered by the Court, all parties who have filed a notice of appearance with the Clerk of the Court shall receive notice of the fee application hearings.

111. The Debtors further request that each member of the committee (if appointed) be permitted to submit statements of expenses and supporting vouchers to counsel for the committee who will collect and file such requests for reimbursement in accordance with the foregoing procedure for monthly and interim compensation and reimbursement of Professionals.

G. Motion for an Order Granting Extension of Time to File Schedules and Statements

112. Preparation of schedules and statements requires a substantial amount of the Debtors' resources and time in order to gather, format and review the required information. In this case, given the size and complexity of the Debtors' cases, preparation of their schedules and statements will require even greater time and effort to gather, review and format the required information. For instance, the Debtors' have thousands of creditors and parties-in-interest and operate their businesses from over 540 locations in over 8 different states. The Debtors are party to hundreds of real estate leases and executory contracts. In addition, the Debtors administer

hundreds of million of dollars in assets. Preparing the schedules and statements within the time-frame, as it has been explained to me, imposed by Bankruptcy Code section 521 and Bankruptcy Rule 1007 would impose a significant burden on the Debtors and their professionals at the earliest stages of their chapter 11 cases.

113. In addition, as a result of the emergency nature of the Debtors' chapter 11 filings, the Debtors have not yet commenced preparation of their schedules and statements and do not believe that the fifteen-day automatic extension of time to file such Schedules and Statements provided by Bankruptcy Rule 1007(c) will be sufficient to permit completion of the Schedules and Statements. At this juncture, the Debtors estimate that an extension of 30 days (for a total of 45 days) will provide sufficient time to prepare and file the Schedules and Statements. The Debtors thus request that the Court establish June 4, 2009, as the date on or before which they must file their Schedules and Statements, without prejudice to the Debtors' right to seek any further extensions from this Court, or to seek a waiver of the requirement of filing certain Schedules.

H. Motion for an Order Authorizing the Debtors to Mail Initial Notices in Lieu of Providing a Mailing Matrix Required under Local Rules

114. the Debtors seek entry of an order, pursuant to Rule 1007(a)(1) of the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rule 1007 1, authorizing them to: (i) submit a consolidated list of creditors in lieu of a mailing matrix; (ii) make available, upon request, the list of creditors to parties; (iii) mail certain notices directly to creditors; and (iv) undertake all mailings directed by the Court or the United States Trustee.

115. There are several thousand creditors and parties in interest in these cases. The Debtors maintain lists of the names and addresses of all such entities on various computer

programs which permit the Debtors or an outside firm to print mailing labels for each such entity. In that regard, the Debtors have sought, by separate motion filed concurrently herewith, to retain and employ Epiq Bankruptcy Solutions, LLC as claims and noticing agent in these cases (the “Claims and Noticing Agent”).

116. Because the Claims and Noticing Agent will be responsible for all of the noticing in these cases, the Clerk will be relieved of the burden of sending notices to the Debtors’ creditors. Therefore, the Clerk does not require the information provided in a label matrix.

117. Based on the foregoing facts and circumstances, the Debtors respectfully request entry of an order authorizing them to: (i) submit a consolidated list of creditors in lieu of a mailing matrix; (ii) make available, upon request, the list of creditors to parties; (iii) mail certain notices directly to creditors; and (iv) undertake all mailings directed by the Court or the United States Trustee.

I. Application for Order Pursuant to 11 U. S. C. § 327 and Federal Rule of Bankruptcy Procedure 2014 Authorizing Debtors in Possession to Retain DLA Piper LLP (US) as Counsel to the Debtors Nunc Pro Tunc to the Petition Date

118. It is necessary for the Debtors to retain and employ bankruptcy counsel under Bankruptcy Code section 327 and Bankruptcy Rule 2014 to represent them in connection with the following non-exclusive list of matters:

- advising the Debtors with respect to their powers and duties as debtors and debtors in possession in the continued management and operation of their business and properties;
- attending meetings and negotiating with representatives of creditors and other parties in interest and advising and consulting on the conduct of cases, including all of the legal and administrative requirements of operating in chapter 11;

- taking all necessary action to protect and preserve the Debtors' estates, including prosecution of actions on its behalf, the defense of any actions commenced against the estates, negotiations concerning litigation in which the Debtors may be involved and objections to claims filed against the estates;
- preparing, on behalf of the Debtors, motions, applications, answers, orders, reports, and papers necessary to the administration of the estates;
- preparing and negotiating on the Debtors' behalf plan(s) of reorganization, disclosure statement(s), and all related agreements and/or documents and taking any necessary action on behalf of the Debtors to obtain confirmation of such plan(s);
- advising the Debtors in connection with the sale of their assets and taking all steps necessary to maximize the value of the Debtors' assets for the benefit of creditors;
- performing other necessary legal services and providing other necessary legal advice to the Debtors in connection with these chapter 11 cases; and
- appearing before this Court, any appellate courts, and the United States Trustee, and protecting the interests of the Debtors' estates before such courts and the United States Trustee.

119. The attorneys at DLA Piper who will render bankruptcy-related services to the Debtors have considerable experience in reorganization matters and are capable of rendering the services required. Members of the Firm's bankruptcy department are recognized as highly competent practitioners in the reorganization field and have represented debtors, official and unofficial committees and other parties in interest in major Chapter 11 cases.

Disinterestedness of Professionals

120. To the best of Debtors' knowledge, DLA Piper (a) has no connection with any of the Debtors' creditors, any other party in interest, any of their respective attorneys or accountants, the United States Trustee for the Southern District of Georgia or any employee of the United States Trustee, or any judge in the Bankruptcy Court or the United States District

Court for the Southern District of Georgia or any person employed in the offices of same; (b) is a “disinterested person” as that term is defined in Bankruptcy Code section 101(14); and (c) does not hold or represent any interest adverse to the estates.

121. DLA Piper has in the past represented, currently represents and likely in the future will represent certain parties in interest in these cases in matters unrelated to the Debtors, the Debtors’ chapter 11 cases, or such entities’ claims against or interests in the Debtors.

122. DLA Piper has informed the Debtors that throughout these cases, DLA Piper will continue to conduct periodic conflicts analyses to determine whether it is performing or has performed services for any significant parties in interest in these cases and that it will promptly update its Application and disclose any material developments regarding the Debtors or any other pertinent relationships that come to DLA Piper’s attention by way of a supplemental affidavit.

Professional Compensation

123. DLA Piper will bill for services rendered at its regular hourly rates and will bill for expenses. Compensation and reimbursement of expenses to DLA Piper will be fixed upon application to the Court pursuant to Bankruptcy Code sections 330 and 331 and the Local Rules of the Court.

124. Given the Debtors’ needs, DLA Piper anticipates being asked to render legal services to the Debtors from and after the Petition Date until the time this Court may be in position to consider this Application. The Debtors request that the retention of DLA Piper be made effective nunc pro tunc to the Petition Date.

125. The Debtors request that DLA Piper be compensated on an hourly basis, plus reimbursement of the actual and necessary expenses DLA Piper incurs, in accordance with the ordinary and customary rates which are in effect on the date the services are rendered. Expenses to be reimbursed include, but are not limited to, photocopies, word processing, courier service, computer assisted research, docket and court filing fees, telecommunications, travel, court reporting charges and any other incidental costs advanced by the firm specifically for these matters, at the rates commonly charged for such costs to other DLA Piper clients. In addition, DLA Piper has advised the Debtors that it intends to seek compensation for all time and expenses associated with its retention as a professional, as well as time spent in preparing any monthly fee statements or interim or final fee applications.

126. DLA Piper has advised the Debtors that the current standard hourly rates applicable to the principal attorneys proposed to represent the Debtors are:

Professional	Rate Per Hour
Thomas Califano	\$835
Jeremy Johnson	\$695
Christopher Thomson	\$590
Mark Smith	\$430
William Currie	\$370

127. Other attorneys and paralegals at DLA Piper will render services to the Debtors as needed. To the fullest extent possible, lawyers having the requisite expertise who already have knowledge with respect to these areas and/or the matter involved will be assigned to these cases so that duplication of efforts is avoided. The hourly rates of the other DLA Piper partners, of counsel, associates and paralegals that hereafter act for the Debtors may be higher or lower than those of the persons presently assigned to this matter. The hourly rates may be adjusted from time to time to reflect firmwide changes in rates.

128. The Debtors understand that the hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions.

129. Other than as set forth above, there is no proposed arrangement to compensate DLA Piper in connection with its representation of the Debtors.

J. Application for Order Pursuant to 11 U. S. C. § 327 and Federal Rule of Bankruptcy Procedure 2014 Authorizing Debtors in Possession to Retain Gray & Pannell LLP as Counsel to the Debtors Nunc Pro Tunc to the Petition Date

130. It is necessary for the Debtors to retain and employ local bankruptcy counsel under Bankruptcy Code section 327, Bankruptcy Rule 2014 and Rule 83.4 of the Local Rules of the United States District Court for the Southern District of Georgia to assist Debtors' bankruptcy counsel, DLA Piper, in connection with the matters described in their application for retention filed concurrently herewith

131. The attorneys at Gray & Pannell who will render bankruptcy-related services to the Debtors have considerable experience in reorganization matters and are capable of rendering the services required. Members of the Firm have represented debtors and other parties in interest in Chapter 11 cases.

Disinterestedness of Professionals

132. To the best of Debtors' knowledge, Gray & Pannell (a) has no connection with any of the Debtors' creditors, any other party in interest, any of their respective attorneys or accountants, the United States Trustee for the Southern District of Georgia or any employee of the United States Trustee, or any judge in the Bankruptcy Court or the United States District Court for the Southern District of Georgia or any person employed in the offices of same; (b) is a

“disinterested person” as that term is defined in Bankruptcy Code section 101(14); and (c) does not hold or represent any interest adverse to the estates.

133. Gray & Pannell has informed the Debtors that throughout these cases, Gray & Pannell will continue to conduct periodic conflicts analyses to determine whether it is performing or has performed services for any significant parties in interest in these cases and that it will promptly update this Application and disclose any material developments regarding the Debtors or any other pertinent relationships that come to Gray & Pannell’s attention by way of a supplemental affidavit.

Professional Compensation

134. With respect to restructuring matters, the Debtors initially paid Gray & Pannell the amount of \$300,000.00 to be held as a retainer for professional fees and expenses expected to be incurred by Gray & Pannell in its representation of the Debtors and for legal services performed prior to Debtors’ filing of their bankruptcy petitions.

135. Gray & Pannell will bill the Debtors for services rendered at its regular hourly rates and will bill for expenses. Compensation and reimbursement of expenses to Gray & Pannell will be fixed upon application to the Court pursuant to Bankruptcy Code sections 330 and 331 and the Local Rules of the Court.

136. Given the Debtors’ needs, Gray & Pannell anticipates being asked to render legal services to the Debtors from and after the Petition Date until the time this Court may be in position to consider this Application. The Debtors request that the retention of Gray & Pannell be made effective nunc pro tunc to the Petition Date.

137. Gray & Pannell has advised the Debtors that the current standard hourly rates applicable to the principal attorneys proposed to represent the Debtors are:

Professional	Rate Per Hour
Marvin Fentress	\$250
Kandace Harvey	\$175

138. Other attorneys and paralegals at Gray & Pannell may render services to the Debtors as needed. To the fullest extent possible, lawyers having the requisite expertise who already have knowledge with respect to these areas and/or the matter involved will be assigned to these cases so that duplication of efforts is avoided. The hourly rates of the other Gray & Pannell partners, of counsel, associates and paralegals that hereafter act for the Debtors may be higher or lower than those of the persons presently assigned to this matter. The hourly rates may be adjusted from time to time to reflect firmwide changes in rates.

139. The Debtors understand that the hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions.

140. Other than as set forth above, there is no proposed arrangement to compensate Gray & Pannell in connection with its representation of the Debtors.

141. The Debtors are also seeking to employ DLA Piper as counsel in these Chapter 11 cases. Gray & Pannell and DLA Piper have ensured the Debtors that they will make every effort to avoid duplication of services and unnecessary expense to the bankruptcy estates.

142. The Debtors believe that the engagement and retention of Gray & Pannell on the terms and conditions set forth above is necessary and in the best interests of the Debtors, their estates, and their creditors and should be approved.

K. Application for Order Pursuant to 11 U. S. C. §§ 327(a) AND 328(a) Authorizing the Employment and Retention of Phoenix Management Services, Inc. as Financial Advisors to the Debtors

143. The Debtors have selected Phoenix Management Services, Inc. (“Phoenix”) to serve as their financial advisors because of the extensive experience, contacts and knowledge of Phoenix in advising and assisting enterprises such as the Debtors’ in regard to refinancing, repurchases, or restructuring of corporate indebtedness. In connection with its engagement with the Debtors, Phoenix has become very knowledgeable of the Debtors’ operations and business. Accordingly, the Debtors believe that Phoenix is well qualified to represent them as financial advisors in these chapter 11 cases.

144. The Debtors have selected Phoenix due to its expertise in bankruptcy and distressed situations. Phoenix has a well-known reputation in financial advisory services and has significant expertise in bankruptcy matters. In addition, Phoenix has advised numerous companies in out-of-court restructurings. Phoenix has agreed to act as the financial advisors to the Debtors and assist them in their restructuring and reorganizing. The Debtors believe that Phoenix is highly qualified to advise them in these proceedings.

145. As further described in Phoenix’s Engagement Letter, Phoenix has and will render various services to the Debtors as financial advisors including the following:

- Assist the Debtors with preparing for and filing the bankruptcy, including assisting with developing financial and other information necessary for the filing petitions and first day motions and reviewing financial forecasts for post petition period;
- Assist the Debtors with postpetition bankruptcy reporting requirements, including assisting with preparing statements, schedules and monthly operating reports;

- Assist the Debtors with preparing budgets, addressing financing issues, monitoring their working capital position and cash budgeting;
- Assist the Debtors in negotiating with secured creditors;
- Assist the Debtors with addressing landlord and other lease issues and negotiations;
- Prepare information related to the valuation of the Debtors;
- Provide testimony before the Court;
- Assist the Debtors with developing and implementing a plan of reorganization and disclosure statement; and
- Other financial advisory services as may be agreed upon.

146. As more fully set forth in Phoenix's Engagement Letter, the compensation to be paid to Phoenix is essentially as follows:

- A \$225,000 retainer paid prior to the Petition Date; and
- Consulting fees from \$75.00 to \$475.00 an hour for professional services to be paid on an hourly basis plus out-of-pocket costs.

147. The Debtors require that Phoenix render extensive financial advisory services to maximize the value of the Debtors' estates. Accordingly, it is necessary and essential for the Debtors to retain Phoenix to perform the above-described tasks. Furthermore, the Debtors believe that the compensation and reimbursement to be paid to Phoenix is reasonable and competitive in relation to the compensation and reimbursement charged by other similarly situated financial advisors.

L. Application for Order Pursuant to 11 U. S. C. §§ 327(a) and 328(a) and Federal Rule of Bankruptcy Procedure 2014 Authorizing Employment and Retention of Stephens Inc. as Investment Banker for the Debtors Nunc Pro Tunc to the Petition Date

148. Stephens is an investment banking firm focused on providing financing and investment banking advice on behalf of its clients. Stephens' broad range of corporate advisory services includes services pertaining to general financial advice, corporate restructurings, financing and mergers and acquisitions to middle market businesses.

149. Stephens is a registered broker dealer with the Securities and Exchange Commission.

150. The Debtors have selected Stephens as their investment banker based upon (a) Stephens' extensive experience in providing investment banking services in chapter 11 cases; and (b) Stephens' excellent reputation for the services it has rendered in chapter 11 cases on behalf of debtors and creditors throughout the United States.

151. The professionals at Stephens have been employed as investment bankers in a number of distressed company situations. The resources, capabilities, and experience of Stephens in advising the Debtors are crucial to the Debtors' successful restructuring. An experienced investment bank such as Stephens fulfills a critical need that complements the services offered by the Debtors' other restructuring professionals. The Debtors believe that Stephens' general restructuring experience and expertise, its knowledge of the capital markets and its merger and acquisition capabilities will inure to the Debtors' benefit in pursuing any restructuring or refinancing transaction. The Debtors further believe that the value to the Debtors from Stephens' services derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the contingent Restructuring Fee and Sale

Transaction Fee is reasonable regardless of the number of hours expended by Stephens' professionals in the performance of the services to be provided in the Engagement Letter.

152. Prior to retaining Stephens, the Debtors evaluated Stephens on a number of criteria, including: the overall restructuring experience of Stephens and their professionals; the overall investment banking capabilities of Stephens; Stephens' experience in advising companies in chapter 11; the likely attention of the senior personnel of Stephens; and the compensation to be charged. After due consideration of the above and as an exercise of their business judgment, the Debtors concluded that Stephens was qualified to provide investment banking services to the Debtors at a reasonable level of compensation.

153. Prior to the Petition Date, on or around October 30, 2008, the Debtors engaged Stephens to act as exclusive placement (the "Placement") agent for a private offering of debt and equity securities to be issued by TitleMax Holdings, LLC or its affiliates. Stephens provided the following services, among others in connection with the Placement:

- Assisted company in preparing necessary materials describing the Debtors and the Placement;
- Assisted company in formulating a marketing strategy for the Offering and in developing procedures and a time table therefore;
- Developed a list of prospective lenders and investors;
- Assisted in negotiating with prospective lenders and investors;
- Assisted and advised the Debtors as to the timing, structure and pricing of the Placement offering and as to coordination of the closing of the Placement offering; and
- Provided other investment banking services related to the Placement.

154. In providing prepetition services to the Debtors in connection with these matters, Stephens' professionals have worked closely with the Debtors' management and other professionals and have become well acquainted with the Debtors' operations, financial condition, debt structure, creditors, businesses operations and related matters. Accordingly, Stephens has developed significant relevant experience and expertise regarding the Debtors that will assist it in providing effective and efficient services in these cases.

155. The compensation arrangement provided for in the Stephens' Engagement Letter and the provisions of the Indemnification Agreement are consistent with and typical of arrangements entered into by Stephens and other investment banking firms in connection with rendering similar services to clients such as the Debtors. The Debtors believe that Stephens is well qualified and able to represent their interests in a cost-effective, efficient and timely manner. Stephens has indicated a willingness to act on behalf of the Debtors and to subject itself to the jurisdiction and supervision of this Court.

Services to be Rendered

156. Under the Engagement Letter, in consideration for the compensation contemplated therein, Stephens has agreed to provide such investment banking services as the Debtors may reasonably request, including:

- Reviewing and analyzing the Debtors' business, operations and financial projections;
- Evaluating the Debtors' potential debt capacity in light of its projected cash flows;
- Assisting in the determination of a capital structure for the Debtors;

- Assisting in the determination of a range of values for the Debtors on a going concern basis;
- Advising the Debtors on tactics and strategies for negotiating with the stakeholders;
- Rendering financial advice to the Debtors and participating in meetings or negotiations with the stakeholders and/or rating agencies or other appropriate parties in connection with any Restructuring;
- Advising the Debtors on the timing, nature, and terms of new securities, other consideration or other inducements to be offered pursuant to the Restructuring;
- Advising and assisting the Debtors in evaluating potential Financing transactions by the Debtors, and, subject to Stephens' agreement so to act and, if requested by Stephens, to execution of appropriate agreements, on behalf of the Company, contacting potential sources of capital as the Debtors may designate and assisting the Debtors in implementing such a Financing;
- Assisting the Debtors in preparing appropriate documentation required in connection with the Restructuring;
- Assisting the Debtors in identifying and evaluating candidates for a potential Sale Transaction, advising the Debtors in connection with negotiations and aiding in the consummation of a Sale Transaction;
- Attending meetings of the Debtors' Board of Directors and its committees with respect to matters on which we have been engaged to advise you;
- Providing testimony, as necessary, in any proceeding before the Bankruptcy Court; and
- Providing the Debtors with other financial restructuring advice.

Professional Compensation

157. Subject to this Court's approval, Stephens will be entitled to the following forms of compensation for its chapter 11 related services as set forth in greater detail in the Stephens' Engagement Letter:

- If Stephens is requested to perform valuation analyses beyond the Debtors' cash collateral hearing in its chapter 11 case, the Debtors will pay Stephens a monthly fee of \$35,000 (the "Monthly Fee"), beginning on the day the Debtors notify Stephens that it desires Stephens to perform additional valuation analyses and every thirty (30) days thereafter for a minimum of six (6) months.
- In the event that the Debtors consummate a Financing Transaction during Stephens engagement, during the Bankruptcy Case, or within fifteen (15) months after the termination of the engagement with lenders or investors other than the Creditors, the Debtors will pay Stephens the following fees based on the gross capital committed in a Financial Restructuring: (i) 1.50% for senior debt; (ii) 3.50% for subordinated debt; and (iii) 6.0% for equity or preferred stock; any refinancing, raising, or issuance of any form of new equity or debt financing by the Company, exclusive of capital provided by the Creditors, shall constitute a Financing Transaction, regardless of whether or not such transaction is effectuated in-court, out-of-court, through the confirmation of a plan of reorganization or otherwise under the United States Bankruptcy Code, or whether the requisite consents to such transactions) are obtained in-court or out-of-court.
- If, as part of a Financial Restructuring, the Debtors pursue a Sale Transaction, then Stephens shall receive a fee upon the closing of a Sale Transaction if the Sale Transaction is closed during Stephens' engagement, the Bankruptcy Case or if the Debtors enter into an agreement, providing for a Sale Transaction during Stephens' engagement or during the fifteen (15) month period after termination of the engagement, which is subsequently consummated. The fee for each Sale Transaction will be 1.75% of the Transaction Value.

158. The overall compensation structure described above is comparable to compensation generally charged by investment bankers of similar stature for comparable engagements, both in and out-of-court.

159. In addition, given the numerous issues which Stephens may be required to address in the performance of its services hereunder, Stephens' commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for Stephens'

services for engagements of this nature in both out-of-court and chapter 11 contexts, the Debtors believe that the fee arrangements in the Engagement Letter are reasonable.

160. As stated above, Stephens will also seek reimbursement for reasonable fees and expenses. Stephens will follow its customary expense reimbursement guidelines and practices in seeking expense reimbursement from the Debtors.

Prepetition Compensation Received

161. Prior to the Petition Date, the Debtors' paid Stephens a \$175,000 retainer. Stephens has received no other compensation from the Debtors pursuant to the Engagement Letter or Indemnification Agreement.

V. CONCLUSION

162. For all the foregoing reasons, I respectfully request that the Court grant the relief requested in each of the First Day Motions.

I DECLARE UNDER THE PENALTY OF PERJURY THAT THE FOREGOING IS
TRUE AND CORRECT.

TITLEMAX HOLDINGS, LLC.
(for itself and on behalf of each of its affiliated
debtors as debtors and debtors in possession)

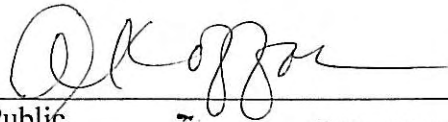
Date: April 21, 2009

BY: _____



John Robinson
President of the Debtors

Sworn to before me this
21st day of April,
2009



Notary Public
County of Chatham
State of Georgia

Commission Expires: My Commission Expires April 12, 2011

ALICE KOFFAH
NOTARY PUBLIC
BRYAN COUNTY
STATE OF GEORGIA

