

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

ALEC's Corporate Board
—in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at www.SourceWatch.org.

DID YOU KNOW? Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

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Deferred Presentment Services Act

Summary

This model bill establishes a system of regulations for those persons involved in the business of deferred presentment services.

Model Legislation

Section 1. {Short Title} This chapter shall be known and may be cited as the "Deferred Presentment Services Act."

Section 2. {Definitions} As used in this chapter, unless the context otherwise requires:

A. "Check" means a personal check signed by the maker and made payable to a person subject to this chapter.

B. "Deferred presentment service" means a transaction pursuant to a written agreement between a person and the maker of a check whereby the person:

1. Accepts a check from the maker dated on the date it was written;
2. Agrees to hold the check for a period of time prior to negotiation or presentment of the check; and
3. Pays to the maker of the check the amount of the check, less the service fees permitted by Section 5 of this chapter.

C. "Person" means an individual, group of individuals, partnership, association, corporation, or any other business unit or legal entity providing deferred presentment services.

Section 3. {Written Agreement} Each deferred presentment service transaction must be documented by a written agreement signed by both the maker of the check and the person accepting such check. The written agreement must contain the name of the person, the transaction date, the amount of the check, and a statement of the total amount of fees charged, expressed both as a dollar amount and as an annual percentage rate (APR). The written agreement must authorize the person to defer presentment or negotiation of the check until a specific date, which date may not be later than thirty-one (31) calendar days following the date of the transaction.

Section 4. {Notice to Maker of Check} A person providing a deferred presentment service transaction shall provide a notice in a prominent place on each deferred presentment service agreement in at least (10) point type in substantially the following form:

A. A DEFERRED PRESENTMENT SERVICE TRANSACTION IS NOT INTENDED TO MEET LONG-TERM FINANCIAL NEEDS.

B. YOU SHOULD USE A DEFERRED PRESENTMENT SERVICE TRANSACTION ONLY TO MEET SHORT-TERM CASH NEEDS.

C. YOU WILL BE REQUIRED TO PAY ADDITIONAL FEES IF YOU RENEW THE DEFERRED PRESENTMENT SERVICE TRANSACTION RATHER THAN PAY THE DEBT IN FULL WHEN DUE.

Section 5. {Authorized Service Fee} A person may charge a service fee for each deferred presentment service transaction. Such fee shall be deemed fully earned as the date of the transaction and shall not be deemed interest for any purpose of law. No other fees or charges may be charged or collected for the deferred presentment service transaction.

Section 6. {Maximum Transaction Amount} The maximum amount a person may pay to the maker of a check in a deferred presentment service transaction is one thousand dollars (\$1000). Consequently, no check held by a person in

Did you know that global corporation Kraft Foods served as corporate co-chair in 2011?

connection with a deferred presentment service transaction may exceed the sum of one thousand dollars (\$1000) plus the service fee authorized by Section 5 of this chapter.

Section 7. {Multiple Outstanding Transactions}

A. No person may have more than two (2) outstanding deferred presentment services transactions with any one (1) maker at the same time. The aggregate face value of all outstanding deferred presentment service checks held by a person from any one (1) maker may not exceed one thousand dollars (\$1000), exclusive of the service fee authorized by Section 5 of this chapter.

B. A person providing a deferred presentment service transaction shall provide a notice in a prominent place on each deferred presentment service agreement in at least ten (10) point type in substantially the following form:

STATE LAW PROHIBITS YOU FROM HAVING OUTSTANDING, AT ANY ONE TIME, DEFERRED PRESENTMENT TRANSACTIONS TOTALING MORE THAN \$1,000 (EXCLUDING APPLICABLE SERVICE FEES). FAILURE TO OBEY THIS LAW COULD CREATE FINANCIAL HARDSHIPS FOR YOU AND YOUR FAMILY.

Section 8. {Renewals} A deferred presentment service transaction may be renewed no more than three (3) consecutive times, after which time either the maker must pay-off the deferred presentment check in cash, or its equivalent, or the person must deposit the maker's check. Once the maker of a check has completed a deferred presentment service transaction with a person, such maker may enter into a new agreement for deferred presentment services with that person. A transaction is completed when a check is presented for payment, deposited, or redeemed by the maker by paying the full amount of the check to the person holding the check.

Section 9. {Form of Transaction Proceeds} A person may pay the proceeds from a deferred presentment service transaction to the maker of the check in the form of the person's business check, money order, or cash; provided, however, that no additional fee may be charged by a person for cashing the person's business check.

Section 10. {Endorsement of Check} Before a person subject to this chapter may negotiate or present a check for payment, the check must be endorsed with the actual name under which the person is doing business.

Section 11. {Redemption of Check} The maker of a check shall have the right to redeem the check from the person holding the check at any time prior to the negotiation or presentation of the check by paying the full amount of the check in the form of cash or its equivalent.

Section 12. {Authorized Dishonored Check Fee} If a check written in connection with a deferred presentment service transaction is returned to a person from a payor financial institution due to insufficient funds, a closed account, or a stop payment order, the person shall have the right to exercise all civil means available and allowable by law to collect the face value of the check. Additionally, the person may contract for and collect a returned check charge not to exceed twenty-five (\$25) plus any court costs, including reasonable attorney fees, incurred as a result of the returned check. No other fees may be collected as a result of a returned check or the default by the maker under a deferred presentment service agreement.

Section 13. {Posting of Charges} A person offering deferred presentment service transactions must post at the point-of-sale a notice of the charges imposed for such deferred presentment service transaction.

Section 14. {No Criminal Culpability} The maker of a check who enters into a deferred presentment service agreement shall not be subject to any criminal penalty for entering into such agreement and further shall not be subject to any criminal penalty in the event the maker's check is dishonored, unless the account on which the check was written was closed on the date of the transaction or before the agreed upon negotiation date.

Section 15. {Other Types of Business} A person may conduct other types of business at a location where it engages in deferred presentment services, unless the person carries on such other types of business for the purpose of evading or violating this chapter.

Section 16. {Unfair or Deceptive Practices} No person shall engage in unfair or deceptive acts, practices, or advertising in connection with a deferred presentment service transaction.

Section 17. {Severability Clause}

Section 18. {Effective Date}

Adopted by the CIED Task Force November 13, 1999. Approved by the ALEC Board of Directors December 1999.

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