

Car Equity Loans

STATEMENT OF LOAN : FEDERAL DISCLOSURES : PROMISSORY NOTE AND SECURITY AGREEMENT

Borrower Name and Address:	Lender Name and Address:
Gordon Smith 184 Maple Drive Sacramento, CA 95820	Car Equity Loans 916 J Street Sacramento, CA 95814
Co-Borrower Name and Address:	License No.:
,	
Date of Loan: 12/15/08	Loan No.: LGA-0001
	Maturity Date: 12/15/12

In this Promissory Note and Security Agreement ("Agreement"), Borrower and Co-Borrower are referred to as "you" and "your" and Lender is referred to as "we", "us" and "our." The Federal Truth in Lending Act Disclosures are part of this Agreement. On the date shown opposite your signature(s) below, we have loaned you money (the "Loan") and you have granted to us a security interest in your motor vehicle described below ("Vehicle") as collateral to secure repayment. Unless the following box is checked, this loan is made primarily for personal, family or household purposes.

Business or Commerical Purposes

Vehicle Description:	Year: 2008	Make: Mercedes Benz	Model: SLK 280
Odometer:	12089	VIN #:	Color:
		12347890123440098771	Silver
Transmission:	Automatic	License No.:	Body Style:
		1myto69	Convertible

Borrower's Telephone Numbers:	
Home:	(916)559-2300
Business:	(916)898-4399
Cell:	
Borrower's Email Addresses:	Gordy@gmail.com

BORROWER CONSENTS TO ALLOWING LENDER TO CONTACT BORROWER AT THE TELEPHONE NUMBERS AND/OR EMAIL ADDRESSES STATED ABOVE. IN THE EVENT BORROWER CHANGES ANY OF THE TELEPHONE NUMBERS OR EMAIL ADDRESSES SUPPLIED HEREIN, BORROWER WILL NOTIFY LENDER AND PROVIDE LENDER WITH THE NEW TELEPHONE NUMBER AND/OR EMAIL ADDRESS.

Federal Truth in Lending Act Disclosures

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. 25.0000%	FINANCE CHARGE The dollar amount the credit will cost you. \$9,123.28	AMOUNT FINANCED The amount of credit provided to you or on your behalf. \$15,000.00	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled. \$24,123.28
--	--	--	---

Your payment schedule will be:		
Number of Payments	Amount of Payments	When Payments Are Due
		Monthly, beginning
48	\$497.36	01/15/09
One final payment of \$0.00		
<p>Security: You are giving a security interest in your Vehicle.</p> <p>Late Charge: If any payment is not made within 10 days after it is due, you will be charged \$10.</p> <p>Prepayment: If you pay off early, you will not have to pay a penalty.</p> <p>See your contract documents for any additional information about nonpayment, default, any requirement repayment in full before the scheduled date, and prepayment refunds.</p> <p>"e" means an estimate.</p>		

Itemization of Amount Financed	Important Notice to Borrower(s)
A. Amount Given to You Directly: \$14,430.00	<p>THIS IS A HIGH-COST LOAN. YOU MAY BE ABLE TO OBTAIN A LOAN FROM SOMEONE ELSE AT A LOWER RATE OF FINANCE CHARGE. THINK CAREFULLY BEFORE YOU DECIDE TO TAKE THIS LOAN.</p> <p>Borrower _____</p> <p>Co-Borrower _____</p>
B. Amount Paid to: \$0.00	
C. DMV Lien Fee: \$225.00	
D. DMV Registration Fees: \$345.00	
E. Prepaid Finance Charge (Admin Fee): \$250.00	
F. Total Loan Amount: \$15,250.00	
G. Amount Financed (F minus E): \$15,000.00	

For value received, you promise to pay to our order at our office address shown above the Total Loan Amount ("Principal") shown above and finance charge on the unpaid Principal at the simple interest rate of 90.00 % per year, in equal Monthly installments of Principal and interest as shown in the payment schedule above, until you have paid us all that you owe us. If more than one of you signs this Agreement, each of you will be individually and jointly liable to us for repayment.

STATEMENT OF INSURANCE
Lender, as a condition of the Loan requires insurance policies covering the collateral. No person is required as a condition of the financing herein to purchase or negotiate any insurance through a particular insurance company, agent or broker.

Simple Interest Loan & Your Payments, This is a simple interest loan. Finance charge will accrue on the unpaid Principal balance on a daily basis. Payments we receive will be applied first to accrued and unpaid finance charge, then to unpaid Principal, then to other amounts you may owe us. If you make more than one payment before it is due, you will still owe the payments due as scheduled (advance payments are applied to the Principal balance). The Finance Charge, Total of Payments and Payment Schedule disclosed in the Federal Truth in Lending Disclosures may differ from the actual amount you pay if your payments are not received by us on their exact due dates, or we advance amounts under this Agreement to fulfill your obligations, which we may add to the unpaid Principal balance. Your final payment may be different than the amount disclosed under the Payment Schedule if you make your payments after the date they are due, or if we added amounts we advanced to the Principal balance.

Prepayment. You may pay us all that you owe us at any time without penalty. If there is more than one of you, you agree that we may release our lien interest in the certificate of ownership to any one of you.

Late Fee. You agree to pay a late fee (late charge) for late payment as disclosed above.

Returned Payment Item Fee. If any check, negotiable order of withdrawal or share draft you give us is returned by a depository institution, you agree to pay a returned payment item fee of \$15.00 for each such item returned.

Security Interest. You grant us a security interest in (1) the Vehicle and all parts or accessories (including radio, tape player, CD player, navigation system, transmitter, and telephone) attached to the Vehicle, (2) all money or goods received for the Vehicle (proceeds), and (3) all proceeds or refunded insurance premiums or charges for optional products or services financed in the loan, which secure all sums due or to become due under this loan as well as any modifications, extensions, renewals, amendments or refinancing of this loan. You will do all acts necessary to ensure our lien interest appears on the certificate of ownership to the Vehicle.

Use of Vehicle. You agree to keep the Vehicle free of all liens and encumbrances, including tax liens, except the lien in our favor, and to not use the Vehicle or permit the Vehicle to be used illegally, improperly or for hire, or to expose the Vehicle to misuse, seizure, confiscation, forfeiture, or other involuntary transfer, even if the Vehicle is not the subject of judicial or administrative proceedings. You agree not to make or allow any material change to be made to the Vehicle. You agree to allow us to inspect the Vehicle at any reasonable time. You agree not to remove the Vehicle, or allow the Vehicle to be removed, from California for a period in excess of 30 days without our express permission. You agree not to remove the vehicle from the U.S. or Canada. You agree not to sell, rent, lease or transfer any interest in the Vehicle. You agree to keep the Vehicle in good working condition and make all necessary repairs. Although we are not obligated to do so, if we pay any liens, fees, maintenance or taxes in connection with the Vehicle, or advance any other amount to protect our interest in the Vehicle, you will reimburse us, at our option, within 5 days of our demand upon you to do so, or we may add the amount of any such liens, fees, maintenance or taxes or other charges we pay to the Principal balance. Such amounts will accrue finance charge at the rate set forth above. Unless you have paid us such amounts prior to maturity, they will be due at the maturity of this Agreement.

Insurance. You agree to keep the Vehicle insured in our favor with a policy and insurance provider satisfactory to us, with comprehensive fire, theft and collision coverage, insuring the Vehicle in an amount sufficient to cover the value of the Vehicle, and providing for a deductible of not more than \$1,000.00. You may obtain the insurance from any insurer or broker you choose that is acceptable to us. You agree to obtain and deliver to us a loss payable endorsement on such insurance. You agree that we may (1) contact your insurance agent to verify coverage or to have us added as a loss payee, (2) make any claim under your insurance policy for physical damage or loss to the Vehicle, (3) cancel the insurance if you default in your obligations under this Agreement and we take possession of the Vehicle, and/or (4) receive any payment for loss or damage, or return premium, and apply amounts we receive, at our option, to replacement of the Vehicle or to what you owe under this Agreement, including indebtedness not yet due. If you fail to maintain such insurance, we may, at our option, obtain such insurance to protect our interest in the Vehicle. The insurance we purchase may not cover your interests. You understand that the insurance premiums may be higher if we must purchase such insurance

than if you had purchased the insurance yourself. Whether the Vehicle is insured, you must pay us all that you owe us if the Vehicle is lost, stolen, damaged or destroyed.

Default. If you fail to pay us what you owe when it is due or when we demand you pay, you will be in default of this Agreement. You will also be in default of this Agreement if: (1) you gave us false information in connection with this loan; (2) you fail to keep your promises or fulfill your obligations under this Agreement; (3) you die and there is no surviving Co-Borrower; (4) you become insolvent or file a petition in bankruptcy, or a petition in bankruptcy is filed against you; or (5) the Vehicle is stolen, damaged, destroyed, impounded, seized, confiscated or forfeited.

Remedies. If you are in default, we may: (1) declare all that you owe us to be immediately due and payable; (2) file suit against you for all unpaid sums you owe under this Agreement; (3) take immediate possession of the Vehicle where we may find it, provided we do so peacefully; and (4) exercise any other legal or equitable remedy. If the Vehicle is equipped with a tracking device, you agree that we may locate the Vehicle by use of that device. If we take possession of the Vehicle, any accessories, equipment or replacement parts will stay with the Vehicle. If any of your personal items are in the Vehicle when we take possession, they will be stored for you at your expense. California law provides for the period of time these items must be held. If you do not ask for these items back within that time, we may dispose of them as permitted by law. Our remedies under (1) and (2) above are subject to any right you may have to reinstate the Agreement or redeem the Vehicle by paying what you owe in full as provided in the California Finance Lenders Law and the California Uniform Commercial Code. Upon taking possession of the Vehicle, subject to any right you may have to reinstate or redeem, we will sell the Vehicle at a public or private sale. We will give you notice of the sale as required by law. We will add the costs of retaking, holding, preparing for sale, and disposing of the Vehicle to what you owe, as permitted by law. The proceeds of sale will be applied first to these costs, and the remainder will be applied to unpaid sums you owe under this Agreement. If we must pursue collection, or hire an attorney to collect what you owe, you will reimburse us our reasonable collection costs and attorneys' fees when we demand. If there is any money left over (surplus), we will pay it to you unless we must pay it to someone else who has a subordinate lien or encumbrance on the Vehicle, as permitted by law. If a balance remains due us, you promise to pay it when we make demand. After we accelerate the unpaid Principal balance, you will pay interest on what you still owe us at the rate of Finance Charge shown in this Agreement, until you pay us all that you owe, or until judgement is entered in our favor. Our remedies are cumulative, and our taking action will not be deemed a waiver of or prohibition against us taking any other action.

Extensions or Deferrals. We may agree from time to time to extend or defer payments or amounts you owe us. If we do so, such extension or deferral does not mean we must or will extend or defer any other payment, and does not affect your liability for what you owe.

Power of Attorney. Until you have paid us all that you owe us, you hereby appoint us, and any one of our designated officers or employees, as your attorney-in-fact, with full power of substitution, to sign in your name any and all applications for certificate of ownership to secure our lien in the Vehicle, and any affidavits or the certificate of ownership to transfer and convey the title or our interest in the Vehicle.

Other Terms. If we agree to an extension of the due date for payment, agree to extend or defer payment(s) you owe us, accept money in amounts less than is due, or waive a right we have, our doing so will not be a waiver of any other right or later right to enforce the terms of this Agreement. If any provision of this Agreement is held invalid, the remaining provisions will continue to be valid and enforceable. You waive the right to presentment, protest, notice of dishonor and notice of protest. If the DMV Filing Fee is more than the amount shown above, you will pay the difference to us upon demand. If it is less, we will refund the difference to you.

You must notify us of any change of your name, address or employment within 30 days.

Confidentiality. We will abide by our Privacy Policy. We may report your payment experience with us to credit reporting agencies and others who may lawfully receive that information. By signing this Agreement, you waive the confidentiality under the provisions of California Vehicle Code Section 1808.21 and authorize us to obtain from the California Department of Motor Vehicles your current residence address, until we are paid in full.

Governing Law. This loan is governed by California law. this loan is not subject to California's usury limit, Cal. Const. art. XV, Section 1. If the Total Loan Amount is a bona fide principal amount of more than \$2,500, this loan is not subject to the rate limitations in the California Finance Lenders Law. This loan is made pursuant to the California Finance Lenders Law, Division 9 (commencing with Section 22000) of the Financial Code.

FOR INFORMATION, CONTACT THE DEPARTMENT OF CORPORATIONS, STATE OF CALIFORNIA.

Broker. A broker has not performed any act in connection with the making of this loan unless the following box is checked:

Broker has participated.

You acknowledge that you have read and received a signed copy of this Agreement.

Borrower's Signature: _____ Date: _____
Gordon Smith

Co-Borrower's Signature: _____ Date: _____

Lender: Car Equity Loans

By: _____ Date: _____

THUMBPRINT

Unless you are borrowing money for business or commercial purposes, the following notice applies if the loan is being used in whole or in part to purchase the Vehicle:

NOTICE:

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF THE GOODS OR SERVICES OBTAINED WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.