

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT  
DEPARTMENT OF THE TRIAL COURT

**In the Matter of**

Credova Financial, LLC  
Nextep Holdings, LLC

Civil Action No.

2184CV00925

**ASSURANCE OF DISCONTINUANCE**  
*PURSUANT TO M.G.L. CHAPTER 93A, § 5*

**INTRODUCTION & ALLEGATIONS**

1. The Commonwealth of Massachusetts ("Commonwealth"), through the Office of Attorney General Maura Healey ("AGO"), hereby files this Assurance of Discontinuance ("AOD") with the Suffolk Superior Court pursuant to M.G.L. c. 93A, § 5.

2. Credova Financial, LLC ("Credova") is a Delaware limited liability company headquartered in Reno, NV, which originates and/or purchases leases and retail installment sales contracts.

3. My Pet Funding, LLC ("MPF") was a Wyoming limited liability company headquartered in Reno, NV, which originated and/or purchased leases and retail installment sales contracts. MPF was dissolved February 8, 2021.

4. Nextep Holdings, LLC ("Nextep") is a Nevada limited liability company headquartered in Reno, NV, and is the corporate parent of My Pet Funding, LLC. Nextep and its subsidiaries, including MPF, are in the process of being wound up.

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SUPERIOR COURT-CIVIL  
MICHAEL JOSEPH DONOVAN  
CLERK/MAGISTRATE

5. In 2019 Credova, began originating and/or purchasing pet leases made to Massachusetts consumers who wanted to purchase dogs from retailers.

6. In 2017, MPF began originating and/or purchasing pet leases made to Massachussets consumers who wanted to purchase dogs from retailers.

7. Pursuant to M.G.L. c. 93A, § 6, the AGO conducted an investigation into dog leases originated and/or purchased by companies, including Credova and MPF.

8. As a result of the investigation, the AGO alleges that Credova and/or MPF and/or Nextep violated General Laws chapter 93A, § 2 by improperly holding leases for dogs in violation of M.G.L. c. 272, § 80I. M.G.L. c. 272, § 80I, makes the leasing of dogs illegal in Massachusetts. Credova, MPF, and Nextep do not admit that they have violated any law.

9. In lieu of litigation, the AGO agrees to accept this AOD on the terms and conditions contained herein, pursuant to the Massachusetts Consumer Protection Act, M.G.L. c.93A, § 5. The AGO, Credova, and Nextep voluntarily enter into this AOD.

10. This AOD does not constitute an admission by Credova, MPF, or Nextep of any fact or noncompliance with any state or federal law, rule, or regulation. Credova and Nextep enter into this AOD for settlement purposes only and neither admit nor deny the AGO's allegations, nor accept any conclusion or inference drawn therefrom. This AOD is made without any trial or adjudication of any issue of fact or law.

#### **REMEDATION AND UNDERTAKINGS**

11. Credova and Nextep agree, for all leases made to a Massachusetts consumer, for which they own or hold the lease to: (i) stop collecting on any active leases involving a dog; (ii) return to lessees any amounts that they have collected since January 1, 2021 for leases involving a dog; (iii) cancel any balances remaining on the leases, which total approximately

\$126,077 between all leases owned or held by Credova and/or Nextep; and (iv) transfer to the lessees the ownership of any dogs that Credova and/or Nextep may hold.

12. Credova will pay \$50,000 to the Commonwealth of Massachusetts within 10 days of the entry of this AOD. Credova shall send the payment to the attention of Chloe Williams, Managing Administrative Assistant, Office of the Attorney General, Insurance & Financial Services Division, One Ashburton Place, 18<sup>th</sup> Floor, Boston, MA 02108.

13. Credova and Nextep agree that they shall not originate, acquire, or otherwise facilitate any new dog leases in the Commonwealth.

#### **COOPERATION & RECORD KEEPING**

14. Credova and Nextep will create and maintain, for a period of at least three (3) years from the date of entry of this AOD, all records necessary to demonstrate their compliance with their obligations under this AOD and will provide such records to the AGO upon request. Credova and Nextep will also assist with the remediation and undertakings by providing customer information reasonably requested by the AGO.

#### **MISCELLANEOUS PROVISIONS**

15. The AGO will not proceed with or institute a civil action or proceeding based upon M.G.L. c. 93A or any other statute or regulation, or common law, against Credova, MPF, and/or Nextep, together with each or any of their respective agents, subsidiaries, parents, agents, and subdivisions, based upon allegations that prior to the date that this AOD is filed with the Court, that Credova, MPF, or Nextep together with each or any of their respective agents, subsidiaries, parents, agents, and subdivisions leased dogs in violation of M.G.L. c. 272, § 80I.

16. The AOD constitutes the entire agreement between the AGO and Credova and Nextep, and supersedes any prior communication, understanding, or agreements, whether written



or oral, concerning the subject matter of the AOD. This AOD can be modified or supplemented only by a written document signed by all parties.

17. All remediations and undertakings described in this AOD shall be completed within 90 days.

18. Credova and Nextep agree not to issue any 1099-C tax forms to consumers, unless Credova or Nextep are specifically required to do so by a taxing authority, related to the cancelation of balances and transfer of ownership required by this AOD.

19. The AGO may extend any deadlines in this AOD in its sole discretion.

20. The AOD and its provisions will be effective on the date that it is filed in the Superior Court for Suffolk County.

21. Credova and Nextep each represents and warrants that it has the full legal power, capacity, and authority to bind the parties for whom it is acting, including its subsidiaries.

22. All confidential information disclosed to the AGO by Credova and/or Nextep in the course of the investigation and in connection with this AOD shall be subject to the confidentiality provisions in M.G.L. c. 93A, § 6.

23. By signing below, Credova and Nextep agree to comply with all of the terms of this AOD. The parties shall work together in good faith to try to resolve any disputes or disagreements with respect to the terms of this AOD. Any violation of this AOD may be pursued in a civil action or proceeding under G.L. c. 93A hereafter commenced by the AGO.

24. This AOD may be executed in multiple counterparts, each of which will be deemed to be an original, but all of which together will be deemed to be an original, but all of which together will constitute one and the same instrument. The headings in this AOD are included only to help make this AOD easier to read and have no binding effect.

25. Notices to be sent pursuant to this AOD shall be sent as follows:

To Credova:  
Spencer Fane LLP  
1400 Walnut Street, Suite 1400  
Kansas City, Missouri 64106  
Attention: Elizabeth Fast

To Nextep Holdings, LLC:  
9484 Double R Boulevard, Suite A  
Reno, Nevada 89531

To the AGO:  
Michael Sugar, Assistant Attorney General  
Massachusetts Attorney General's Office  
1 Ashburton Place, 18th Floor  
Boston, MA 02108

Signed this 22<sup>nd</sup> day of April, 2021.

**FOR CREDOVA FINANCIAL, LLC**

DocuSigned by:  
By: Sam Paul  
81B8EF98E88C704DD...  
Name: Sam Paul  
Its: Managing Member

**FOR THE ATTORNEY GENERAL,  
MAURA HEALEY**

By: Michael Sugar  
Michael Sugar  
Assistant Attorney General  
Massachusetts Attorney General's Office  
Insurance and Financial Services Division  
1 Ashburton Place, 18th Floor  
Boston, MA 02108  
(617) 727-2200  
Michael.Sugar@mass.gov  
BBO#: 683901

**FOR NEXTEP HOLDINGS, LLC**

DocuSigned by:  
By: Brian Davis  
F2FAEA77E1FF4C8...  
Name: Brian Davis  
Its: Managing Member