

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,  
STATE OF COLORADO,  
STATE OF IDAHO,  
COMMONWEALTH OF PENNSYLVANIA,  
STATE OF TEXAS,  
COMMONWEALTH OF VIRGINIA,  
STATE OF WASHINGTON,  
and  
STATE OF WEST VIRGINIA,

*Plaintiffs,*

v.

SPRINGLEAF HOLDINGS, INC.,  
ONEMAIN FINANCIAL HOLDINGS, LLC,  
and  
CITIFINANCIAL CREDIT COMPANY,

*Defendants.*

CASE NO.: 1:15-cv-01992 (RMC)

**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT**  
**OF UNOPPOSED MOTION OF THE UNITED STATES TO**  
**APPOINT PATRICIA A. MURPHY AS MONITORING TRUSTEE**

The United States files this Memorandum in support of the Unopposed Motion of the United States to Appoint Patricia A. Murphy as Monitoring Trustee in this case. Pursuant to the Asset Preservation Stipulation and Order entered by the Court on the November 13, 2015, and the terms of the proposed Final Judgment filed with the Court on the same day, the United States seeks the Court's appointment of Patricia A. Murphy as Monitoring Trustee. Ms. Murphy is a Managing Director at Alvarez & Marsal Financial Industry Advisory Services, LLC ("Alvarez &

Marsal”). She has extensive knowledge of the financial industry and is well qualified to monitor the Defendants’ compliance with the proposed Final Judgment and the Asset Preservation Stipulation and Order.

**I. Appointment and Duties of a Monitoring Trustee**

The United States and the States of Colorado, Idaho, Texas, Washington and West Virginia and the Commonwealths of Pennsylvania and Virginia (“Plaintiff States”) filed a civil antitrust Complaint on November 13, 2015, seeking to enjoin the acquisition of OneMain Financial Holdings LLC (“OneMain”) by Springleaf Holdings Inc. (“Springleaf”). The Complaint alleged that the proposed acquisition likely would substantially lessen competition for personal installment loans to subprime borrowers in numerous local markets in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18. That loss of competition likely would result in a reduction of consumer choice that may drive financially struggling borrowers to more expensive forms of credit, or, worse, leave them with no reasonable alternatives.

At the same time the Complaint was filed, the United States and the Plaintiff States filed an Asset Preservation Stipulation and Order and a proposed Final Judgment, which are designed to eliminate the anticompetitive effects of the acquisition. The Court entered the Asset Preservation Stipulation and Order on November 13, 2015. Springleaf completed its acquisition of OneMain on November 15, 2015.<sup>1</sup> Under the proposed Final Judgment, Springleaf is required to divest 127 branches in eleven states to Lendmark Financial Services, LLC. (“Lendmark”). The proposed Final Judgment requires Springleaf to complete the sale of the Divestiture Assets within 120 calendar days after the filing of the Complaint or within five (5) calendar days after

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<sup>1</sup> Springleaf has changed its corporate name to OneMain Holdings, Inc.

satisfaction of all state licensing requirements, whichever is sooner. The proposed Final Judgment further provides that the United States, in its sole discretion, after consultation with Plaintiff States, may agree to one or more extensions of time not to exceed sixty (60) calendar days.

Until the divestiture takes place, the Asset Preservation Stipulation and Order requires Springleaf to preserve and continue to operate each Divestiture Branch as an ongoing, economically viable, and competitive business. During this period, Springleaf shall use all reasonable efforts to maintain and increase the loan originations and revenues of each Divestiture Branch, and shall maintain at actual 2015 levels or previously approved levels for 2016, whichever are higher, all operational, marketing, sales, technical, customer-service, loan-underwriting and collection standards and support.

Section X of the proposed Final Judgment provides for the appointment of a Monitoring Trustee with the power and authority to monitor Defendants' compliance with the terms of the proposed Final Judgment and the Asset Preservation Stipulation and Order, and other powers as the Court deems appropriate. The Monitoring Trustee will be required to investigate and report on the Defendants' compliance with the proposed Final Judgment and the Asset Preservation Stipulation and Order, and the Defendants' progress toward effectuating the purposes of the proposed Final Judgment. Further, the proposed Final Judgment provides that in the event Lendmark is not the Acquirer of the Divestiture Assets in one or more states, the Monitoring Trustee or Springleaf shall promptly notify the United States of that fact in writing.

## **II. Patricia A. Murphy is Well Qualified to Serve as Monitoring Trustee**

Patricia A. Murphy is a lawyer with more than 20 years of experience focusing on the financial industry. As Managing Director at Alvarez & Marsal, Ms. Murphy's primary responsibilities include leading teams to provide solutions to financial services companies on performance, operational, regulatory, and management issues. Prior to joining Alvarez & Marsal in 2013, Ms. Murphy had served as Chief Counsel in the Investment Banking Division of Keefe, Bruyette & Woods, Inc.; Managing Director in the Legal Department of Cowen and Company, LLC; and Managing Director at Sandler O'Neill + Partners, L.P. Ms. Murphy's professional biography is attached as Exhibit A to the Declaration of Angela. Y. Ting.

Ms. Murphy has managed the sale of assets of financial institutions, assisted banking and financial companies in addressing supervisory and operational matters, and provided legal advice in mergers and acquisitions. With her experience and background, Ms. Murphy has the knowledge and expertise to perform the responsibilities of the Monitoring Trustee and supervise Springleaf's compliance with the terms of the proposed Final Judgment and the Asset Preservation Stipulation and Order. In addition, Ms. Murphy's firm, Alvarez & Marsal, may provide additional support to assist Ms. Murphy in assessing Springleaf's ongoing operation of the Divestiture Branches and monitoring the progress of the sale of the Divestiture Assets.

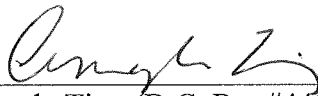
Ms. Murphy has worked on a broad range of matters relating to the financial industry and is well versed in issues concerning the business of loan originations. As a lawyer, she has the skills to address potential concerns raised by Springleaf or Lendmark regarding their rights and obligations under the proposed Final Judgment, Asset Preservation Stipulation and Order, and

contractual agreements. Her experience and background make her well positioned to serve as Monitoring Trustee.

For the foregoing reasons, the United States respectfully requests this Court to appoint Patricia A. Murphy as Monitoring Trustee pursuant to Section X of the proposed Final Judgment.

Dated: January 19, 2016

Respectfully submitted,

  
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