

ASA HUTCHINSON
GOVERNOR

B. EDMOND WATERS
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300
201 EAST MARKHAM STREET
LITTLE ROCK, ARKANSAS 72201-1692
TELEPHONE: (501) 324-9260
FACSIMILE: (501) 324-9268

ARKANSAS SECURITIES DEPARTMENT

VIA REGULAR U.S. MAIL

April 11, 2019

Leigh Browne
Penguin Pay
250 Greenwich, 7 WTF
35th Floor
New York, NY 10006

Karyn H. Tierney
Arkansas Bar No. 2003120
ktierney@securities.arkansas.gov

RE: Penguin Pay
No Action No. 19-NA-0004

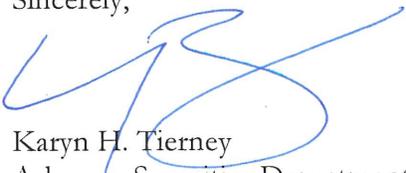
Dear Ms. Browne:

The Arkansas Securities Department ("Department") is in receipt of your letter dated April 8, 2019, requesting that the Department issue a no-action letter concerning Penguin Pay's claim of exemption from the licensing requirements of the Arkansas Fair Mortgage Lending Act ("AFMLA") as codified at Ark. Code Ann. § 23-39-501 through 518 due to Penguin Pay's proposed business activities in Arkansas. A copy of the request letter is attached for reference.

Based upon the specific facts contained in your request the Staff of the Department ("Staff") will not recommend that the Arkansas Securities Commissioner take an enforcement against Penguin Pay if it does not obtain a license from the Department prior to engaging in the activities detailed in your request letter.

Please note that the position of the Staff is based solely upon the representations made in your request letter and information provided and applies only to the facts as set out therein. Different facts or circumstances might and often would require a different response or opinion from the Staff. The position of the Staff expressed in this letter only deals with anticipated enforcement action by the Department. Further, the position of the Staff does not purport to be and should not be interpreted to be a legal opinion.

Sincerely,



Karyn H. Tierney
Arkansas Securities Department



April 8, 2019

Arkansas Securities Department
Heritage West Building, Suite 300
201 E. Markham
Little Rock, Arkansas
72201 Attn: Karyn Tierney

Re: License Exemption Request

Dear Ms. Tierney,

Thank you so much for your email regarding a possible exemption for Penguin Pay ("Penguin"), for a lender's license in Arkansas. Per your email, I am including a letter stating why Penguin should be exempt from the Fair Mortgage Lending Act, as well as a description of our business plan and flow of funds.

Penguin works with the drug supply chain to subsidize the cost of a 0% loan via a monthly loan management fee, charged to the pharmaceutical companies. In supporting loan operations, Penguin provides advanced underwriting, capital management, loan servicing/patient support, and more.

Here is an example of our flow of funds:

Loan Rates & Estimated Total Costs

Total Loan Amount: \$250.00
(Total amount you are borrowing)

Annual Percentage Rate: 0%
(Your interest as an annual rate)

Finance Charge: \$0.00
(The estimated dollar amount the credit will cost you)

Total of Payments: \$250.00
(The estimated amount you will have paid when you have made all weekly payments)

Prepayment: If you pay off early, you will not have to pay a penalty.

Loan Payments

Your loan payments will be due on a weekly basis.

Amount of Each Payment: \$20.83

Number of Payments: 12

Due Weekly Starting Date: One week from your date of purchase

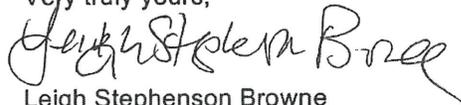
Itemization of Amount Financed

Upon completion of the transaction, Penguin Pay will pay \$250.00 to the pharmacy you selected.

Penguin does not charge any loan fees or interest fees to the consumer and does not participate in any mortgage or financial lending with respect to real estate, therefore should be exempt from the Fair Mortgage Lending Act of Arkansas.

Please also let me know if you need anything further from Penguin. We are so grateful for your assistance and are looking forward to offering our loans to the people of Arkansas.

Very truly yours,



Leigh Stephenson Browne

Senior Paralegal, Penguin Pay