



Location Services

Locate. Recover. Transport.

April 16, 2018

Location Services Files Antitrust Lawsuit Against DRN

Location Services LLC announced today it has filed a complaint in California federal court against Digital Recognition Network, Inc. (“DRN”). The complaint asserts that DRN violates federal and state antitrust laws by using compulsory non-competes to unlawfully block, threaten or intimidate vehicle repossession agents from switching license plate recognition (“LPR”) technology providers.

The terms in dispute block repossession agents from using LPR technology to recover vehicles for one year after leaving DRN. The lawsuit alleges DRN knows these terms are unnecessary and unenforceable but inserts them into contracts to prevent repossession agents from leaving DRN or switching providers. The intended effect, according to the complaint, is for DRN to maintain its stranglehold on the market by eliminating legitimate competition, and preventing LPR providers, like Location Services, from effectively competing in the LPR market.

Lee McCarty, the Chief Executive Officer of Location Services, said, “Repossession agents are the lifeblood of the industry and they deserve a positive change. We believe repossession agents should have the opportunity to select LPR providers based on the merits of their service offerings. Agents should have the right to change providers if they are dissatisfied; that’s how market systems operate.”

Location Services has undergone significant change in the past year. With the benefit of new ownership, and the addition of a seasoned executive leadership team, the Company is bringing a much-needed cultural shift to the industry. McCarty stated, “our business model benefits the market through a unique value proposition, driven by service relationships with our customers and vendors, state of the art processes, analytical rigor, and innovative technology. Our business is built on a foundation of integrity, compliance and operational excellence, and enables our repossession agency partners to achieve their full operational and financial potential, while delivering value to the market. This lawsuit is necessary to bring a level playing field to the market, enabling repossession agents to choose the LPR provider who best meets their needs, which ultimately benefits our financial services clients.”

Location Services is seeking to enjoin DRN's exclusionary practices. The case is Location Services, LLC v. Digital Recognition Network, Inc., No. 2:18-cv-00893, pending in the U.S. District Court for the Eastern District of California.

A copy of the complaint filed by Location Services is available here:

<https://www.location-services.com/s/2018-04-12-Location-Services-Complaint.pdf>

About Location Services:

Location Services, LLC provides efficient, effective and compliant, repossession management and loss mitigation services and solutions, including:

- Skip-Locate
- Collateral Recovery
- License Plate Recognition (LPR)
- Transportation Services

Location Services offers a full range of services to its clients in the auto financial services industry, backed by best-in-class compliance, performance accountability and cutting edge digital technology.

The leadership team at Location Services possesses decades of auto finance collections, repossession, loss mitigation, customer service, risk, compliance and finance expertise with the nation's leading lenders. This deep domain expertise is unique to the industry and provides significant value to the market through strong relationships with repossession agency partners.

Location Services anticipates, understands, and delivers on the expectations of its clients and valued vendor partners!