19.1 Demand Letter

April 1, 2003

By Certified Mail, Return Receipt Requested

Jackson Hewitt Tax Service
[Street address]

Re: Notice of Violations of the Consumer Legal Remedies Act,
California Civil Code § 1750 et seq.

To Whom It May Concern:

This notice is provided on behalf of [Ms.] Hood, and all others similarly situated,
pursuant to California Civil Code § 1782 to inform you that Jackson Hewitt Tax Service has
employed methods and committed acts and practices in violation of the California Consumer
Legal Remedies Act, California Civil Code § 1750 et seq.

The facts establishing the violation are generally as follows: Jackson Hewitt has an
arrangement with Santa Barbara Bank & Trust (SBBT) through which SBBT offers refund
anticipation loans (RALs) to members of the public who use Jackson Hewitt to prepare and file
their tax returns. In January 2002, Ms. Hood had her taxes prepared by an office of Jackson
Hewitt in Trotwood, Ohio. Jackson Hewitt informed Ms. Hood that she could receive her tax
refund within 48 hours, and characterized this as a “rapid refund.” Jackson Hewitt did not inform
Ms. Hood, and Ms. Hood did not understand, that in fact the “rapid refund” was a loan by SBBT
or that the loan agreement contained a provision allowing SBBT to seize her refund if she had any
prior RAL debt outstanding, including debts owed to other RAL lenders. Ms. Hood chose to
receive a RAL in 48 hours. In February 2002, instead of providing Ms. Hood with her tax refund,
SBBT seized over $2,000 of her tax refund to pay an alleged debt owed by Ms. Hood to
Household Bank.

The Consumer Legal Remedies Act, California Civil Code § 1750 et seq. (“CLRA”) is
designed to protect consumers against misrepresentations about goods or services and unfair and
deceptive business practices. The Act specifies acts and practices that are prohibited in any
transaction involving the sale or lease of goods or services to a consumer. You are hereby notified
that the acts and practices of Jackson Hewitt as described above violate, without limitation, the
following provisions of the CLRA:

1. Jackson Hewitt has violated California Civil Code § 1770(a)(5) by
representing that the RALs are a form of tax refund when, in fact, they are loans subject to
seizure by the lender to pay off alleged prior RAL debts of individual taxpayers.
2. Jackson Hewitt has violated California Civil Code § 1770(a)(14) by representing that it has rights and remedies that are prohibited by law, specifically that it has the right to collect a third party debt without providing notices required by law.

3. Jackson Hewitt has violated California Civil Code § 1770(a)(19) by including a Cross-Lender Debt Collection Provision in its RAL Application/Agreements which is unconscionable. The RAL Application/Agreements are contracts of adhesion drafted by Jackson Hewitt and/or SBBT and offered to customers on a take-it-or-leave-it basis. The Cross-Lender Debt Collection Provision is substantially one-sided in favor of Jackson Hewitt and SBBT. Additionally, there is no consideration for the Cross-Lender Debt Collection Provision and it does not fall within the reasonable expectations of Hood or other customers. The provision is therefore unlawful, unfair, fraudulent and unconscionable.

On behalf of Ms. Hood and all other similarly situated consumers, and pursuant to California Civil Code § 1782 (b) and (c), we hereby demand that, within 30 days of receipt of this notice, Jackson Hewitt take the following actions:

1. Cease the practice of using, applying and including in its RAL Application/Agreements the Cross-Lender Debt Collection Provision;

2. Cease the practice of allowing, facilitating or in any way aiding and abetting SBBT or other lenders from seizing and using RALs to pay any alleged debt by consumers and taxpayers;

3. Identify all other similarly situated consumers who have been subjected to the seizure of their RALs to pay alleged prior debt;

4. Restore to Hood and all other customers similarly situa ted all amounts seized from customers pursuant to the Cross-Lender Debt Provision to pay alleged prior RAL debt, together with interest thereon, and verify that such amounts have been issued to all affected consumers;

5. Correct or otherwise rectify the violations of California Civil Code § 1770 by reimbursing Ms. Hood and all persons who are similarly situated their actual damages; and

6. Verify that Jackson Hewitt has discontinued its practice of including in its RAL Application/Agreements the Cross-Lender Debt Collection Provision and any similar provision which allows a lender to seize a customers RAL to pay alleged prior RAL debt.

Thank you for your prompt attention to this matter.

Sincerely yours,

[Mr.] Sturdevant