



Independent staff photos

An Albuquerque law firm representing plaintiffs in five class action cases against five local companies, their signs seen in this composite photo, allege various violations of state and federal laws regarding lending practices.

EASY MONEY

Attorney: For loan companies,

'It's open season on the consumers of Gallup'

By Richard Reyes
Staff writer
city@gallupindependent.com
Twitter: @iamrichardreyes

GALLUP — The law firm that filed a class action lawsuit against Cash Cow has five other pending cases against local lending companies, according to court documents. Feferman and Warren, based in Albuquerque, is representing plaintiffs in five class action cases that allege various violations of state and federal laws regarding lending practices. The defendants

in those cases are:

- Community Financial Service Centers LLC, doing business as Speedy Loan.
- Carma Enterprises Inc., doing business as Cash Man, Cash Stop, Lucky Loans and Tse Bonito Finance.
- The Big "E" Inc. and Native American Loan Company Inc., doing business as Ellis Tanner Trading Company.
- Gurley Motor Co., doing business as Red Rock Investment Co.

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Easy money

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■ S/W Tax Loans Inc., which operated an H&R Block franchise.

"It's open season on the consumers of Gallup, which are getting blitzed by all the lenders," attorney Richard Feferman said.

Community Financial Service Center

Speedy Loan, in Gallup, allegedly made payday loans in flagrant and knowing violation of the New Mexico Small Loan Act, according to a complaint filed Aug. 22, 2014, in U.S. District Court. Its loans allegedly violate the Truth in Lending Act and the federal Electronic Funds Transfer Act as well.

Clara Daye, of Churchrock, applied for a loan from Speedy Loan for \$300. The complaint alleges that the company manipulated the disclosures and paperwork of the loan and others to make them appear as if they were installment loans when they were actually payday loans.

Speedy is accused of charging fees more than double the amount allowed by law for payday loans and falsely stated that the interest rate was much lower than it really was.

The complaint then alleges that Speedy illegally required Daye to authorize automatic withdrawal from her bank account to repay her loans.

Attorney Don Kochersberger, of the Albuquerque law firm Business Law Southwest, is representing Speedy Loan in the case and disputed those claims.

"The claim of Clara Daye is that the loans made to her were payday loans when in fact they were installment loans," Kochersberger said. "Speedy Loan doesn't make payday loans, it doesn't purport to make payday loans and doesn't intend to make payday loans in New Mexico."

He said it's also too early to know exactly what Daye is claiming to be her damages, Kochersberger said.

"She borrowed money from Speedy Loan, she paid back the money according to the terms of her contract and never made a single complaint about her business with them; and then this lawsuit came," he said. "Speedy Loan is licensed and regulated by the state of New Mexico. Their license is current and in good standing, and they have never been sued by one of their customers in the past."

Feferman said his firm is in the process of collecting evidence to prove Daye's case and to prove it should be a class action suit.

"I think the complaint very clearly explains they know the limitations of the law and, under the definition of the law, these are payday loans," Feferman said. "Because this is such an abusive industry, the companies that loan money — as base as New Mexico statute is — there's at least a limit and rules in how you do these. And this is just some smart-aleck, out-of-state company that's trying to bend the law."

Community Financial Service Center is a Delaware limited liability company with its principal place of business in Wisconsin. It operates Speedy Loan in Gallup along with 11 other locations in New Mexico.

As of July 7, the court ordered a mandatory settlement conference to be scheduled in November.

Carma Enterprises

The complaint against Carma Enterprises, filed in 11th Judicial District Court, accuses the company of obtaining numerous legal judgements by having non-lawyer collection employees engage in the unauthorized practice of law.

According to court documents, Arlene Peina, of Zuni, obtained a loan from Cash Man in Gallup for \$200 at an annual percentage rate of more than

200 percent. The company also offered Peina an additional \$50 if she would "renew" the loan. The new loan had a principal amount of \$250 financed at an APR of 281.26 percent.

Peina was unable to make payments to Carma, and employees of Cash Man filed suit against her.

The complaint alleges that the activities of the non-lawyer employees violate the Unfair Practices Act, constitute the unlicensed practice of law and violate the rules of the magistrate courts in which they were handled.

Attempts to reach John Demincate, of Carma Enterprises, which is based in Boerne, Texas, were unsuccessful Friday.

The Big 'E' and Native American Loan Company

The complaint against Ellis Tanner Trading Company, filed in 11th Judicial District Court, states that the company lends money to customers as short-term, high-cost holiday loans and tax refund loans.

Ellis Tanner Trading allegedly engaged in unfair and deceptive practices in offering and making these loans, in violation of the Unfair Practices Act and Small Loan Act. The company is also accused of misrepresenting the terms of financing by failing to accurately disclose the finance charges and other loan terms as well as breaching the loan agreements.

Nora Anderson, of Nayago, New Mexico, is the primary plaintiff in the class action suit.

Attempts to reach Ellis Tanner Friday were unsuccessful.

Gurley Motor Company

The complaint against Gurley Motor, filed in U.S. District Court, accused the Gallup car dealer of violating the Truth in Lending Act and the New Mex-

ico Uniform Commercial Code.

The company sold a 2006 Dodge Ram to Eugene and Phyllis Yazzie, of Ganado, and the couple paid a \$4,500 down payment. The complaint alleges that Gurley failed to accurately disclose the "deferred down payment," making the contract appear less expensive than it actually was. The sales paperwork reportedly contained contradictory information about the terms of the agreement.

A few weeks after buying the truck, Eugene Yazzie experienced heart problems and was airlifted to Phoenix. As a result, the couple couldn't make two payments of \$500 on time.

Red Rock Investment Co. then repossessed the truck from Phoenix, leaving Yazzie without transportation home after his release from the hospital — the complaint says this action was illegal.

Attempts to reach Steve Gurley Friday for comment on this story were unsuccessful.

S/W Tax Loans

The complaint against S/W Tax, filed Jan. 30, 2014, in U.S. District Court, states that the company operated an H&R Block in Gallup that helped prepare tax returns for Angela Gorman, of Ganado, and others.

In connection with the tax returns, Gorman and others borrowed money from S/W Tax Loans at high-interest rates, typically in excess of 160 percent.

The company is accused of misrepresenting the terms of financing by failing to accurately disclose the finance charge and other loan terms. The complaint states the company violated the Truth in Lending Act and the New Mexico Unfair Practices Act.

Two phone numbers listed online for S/W Tax are currently disconnected. Dennis Gonzales is listed as the president and he has addresses in Farmington, but contact information could not be found Friday.